

A Review of Zero Waste SA Grant and Financial Incentive Programs




MOLINO STEWART
INTEGRATED SUSTAINABLE SOLUTIONS



Report



A Review of Zero Waste SA Grant and Financial Incentive Programs

REPORT

for

Zero Waste SA

by

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1 EXECUTIVE SUMMARY

Environmental consultancy Molino Stewart Pty Ltd was engaged by ZWSA to conduct an independent review of its four grant and incentive programs.

1. *Reuse and Recycling Infrastructure Grant Program*
2. *Kerbside Performance Incentives*
3. *Regional Infrastructure Grants (re-named the Regional Implementation Program.)*
4. *Research and Market Development Grant Program*

Since 2004, ZWSA has approved 70 grants through these programs totalling \$6.9 million. This project aimed to review the effectiveness of each grant and incentive program, and review the processes for grant application and assessment. The review was conducted by Molino Stewart between February and April 2007 and involved analysis of reports from grant recipients, other data collected by ZWSA and interviews with ZWSA program managers and members of assessment panels.

Waste diversion data could only be collected for 30 of these 70 projects, comprising 24 completed performance reports and six interim performance reports. Therefore this is an early review, and the limitations of the early stages of data collection should be acknowledged. This project does however provide a good indication of the progress and effectiveness of the programs, a detailed qualitative analysis of the grant application processes, and provides recommendations for future rounds

Effectiveness

The Molino Stewart review found that the ZWSA grant and incentive programs are generally effective in achieving SA's waste targets. Grant recipients diverted 266,607 tonnes of waste from landfill in 2006 and 319,708 tonnes cumulatively (2005 and 2006). It is calculated that 18.7 percent (for 2006) and 12.3 percent (cumulative over 2005 and 2006) of waste has been diverted from total SA landfill. These figures show that, even at this early stage, the programs are making an important contribution towards the SA waste strategy target of 25 percent reduction in solid waste to landfill by 2014.

The quantitative data in this project should be used with caution as many of the infrastructure projects, in particular, could not supply data due to the early nature of the review (many did not commence until late 2005 and throughout 2006). Therefore, the data is most likely an underestimation of actual diversion and will increase as infrastructure starts operating at its full capacity. The amount of waste diverted showed a significant increase between 2005 and 2006 as infrastructure projects started 'kicking in'.

The data should also be viewed as a 'snapshot in time'. It doesn't take into consideration diversion rates before the projects or recycling systems upgrades, and other investment contributions. It is acknowledged that this review did not take into account the continual diversion rates beyond 2006 as a result of the implementation of these projects during the 2005 and 2006 years. The amount of waste diverted, is the amount reported by the grant-recipient at that time of the report.

The success of programs should not be solely based on diversion figures from landfill - the programs were also assessed upon a range of other criteria. The programs stimulated considerable investment in resource recovery and recycling from local councils and waste industry sector. Other benefits of the programs included increased waste industry capacity with more efficient resource recycling and recovery systems, new infrastructure and services, improved quality/marketability of recycled end-products, employment and new education programs.

Administrative Processes

Based on interviews conducted and compliance with Australian Government better practice grant administration guidelines, assessment and selection processes were found to be robust, transparent and equitable. Recommended improvements in the administration of the grants include the use of a risk management plan and evaluation plan for the programs.

Recommendations

The following nine recommendations are made by Molino Stewart to help ZWSA improve the effectiveness of its four grant and incentive programs and their administrative processes.

1. Develop and implement a comprehensive evaluation plan for each program based on practices in the Australian Government's ANAO *Administration of Grants: Better Practice Guide*.
2. Continue with the Re-use and Recycling Infrastructure Program, Kerbside Performance Incentives and the Regional Implementation Program based on intelligence from their respective evaluation plans.
3. Divide the Research and Market Development Grant Program into a Research and Development Program and Market Development Program.
4. Improve the consistency and specificity of data received from project reports in all programs other than the Kerbside Performance Incentives program.
5. Include risk management in the future planning of all programs.
6. Provide Panel members with feedback on the outcomes of projects from previous funding rounds.
7. Provide early notice to all potential applicants to enable them to access funds and plan their projects.
8. Develop and implement procedures to deal with variations to funding agreements.
9. Gather data on SA tonnages entering landfill in each waste stream to enable monitoring of progress towards SA waste stream targets in resource recovery and recycling.

2 INTRODUCTION

2.1 Project Background

Zero Waste SA (ZWSA) is a statutory authority established by the South Australian Government under the *Zero Waste SA Act 2004*. ZWSA was established with the aim to promote sustainable waste management practices within South Australia that, to the fullest extent possible, eliminates waste or its consignment to landfill and advances the development of resource-recovery and recycling.

This commitment by the South Australian Government arose from the recognition that waste management in South Australia was fundamentally reliant upon landfill as the lead disposal technology and, to date; the community had not substantially succeeded in alleviating this reliance with approximately 1.16 million tonnes of solid waste currently entering landfill each year.

The primary objective of Zero Waste SA is to promote sustainable waste management practices within South Australia that, to the fullest extent possible, eliminates waste or its consignment to landfill and advances the development of resource-recovery and recycling.

Zero Waste SA meets this aim by providing strategic policy advice and direction to government and stakeholders; undertakes programs that maximise waste reduction; and works in partnership with stakeholders to bring about change.

2.1.1 South Australia's Waste Strategy Targets

Commencing in 2004, *South Australia's Strategic Plan* is a state-wide strategy focused on improving the well-being and prosperity of South Australians. It constitutes an integrated and co-operative approach to facing the current economic, environmental and social challenges and developing viable solutions to meet these challenges.

The Plan contains a number of sustainability targets that are to be met in the ten years leading to 2014. In the area of waste management, the target is to reduce total solid waste to landfill by 25 percent by 2014.

The South Australian Government established Zero Waste SA to bring about the changes necessary to meet this target. Subsequently, Zero Waste SA developed *South Australia's Waste Strategy 2005-2010* as the lead policy-setting document towards attaining the sustainability targets for waste management.

The Waste Strategy established waste reduction measures and targets for the three key waste stream areas of:

- Municipal solid waste. This is primarily composed of waste collected by local government kerbside and drop-off services. It is dominated by: garden organics, food, packaging, paper/cardboard, plastics, glass and steel cans.
- Commercial and/or industrial waste. Commercial waste is generated by office buildings, theatres, and hotels etc. Industrial waste is mainly generated by agriculture, forestry, fishing and mining. These areas are dominated by the following waste types: food/kitchen wastes, cardboard, paper, wood/timber, metals, plastics, green organics, and tyres/rubber.
- Construction and/or demolition waste. Construction and demolition waste is primarily generated from new building construction, refurbishment or the demolition of old buildings. The key waste materials produced are: soil, rocks, rubble, concrete, asphalt, bricks and timber.

The key waste strategy targets are outlined in *Table 1*.

Table 1 Key waste stream targets

Waste Stream	By 2006	By 2008	By 2010	By 2014
<i>Municipal Solid Waste</i>	Recycling of at least 25% of all material presented at the kerbside	Recycling of 50% of all material presented at the kerbside	Recycling of 75% of all material presented at the kerbside (if food waste is included)	Reduce waste to landfill by 25% (as per the State Strategic Plan)
<i>Commercial and Industrial Waste (C&I)</i>	5% increase in recovery and re-use of C&I materials	15% increase in recovery and re-use of C&I materials	30% increase in recovery and re-use of C&I materials	
<i>Construction and Demolition Waste (C&D)</i>	20% increase in recovery and use of C&D materials	35% increase in recovery and use of C&D materials	50% increase in recovery and use of C&D materials	

2.1.2 Zero Waste SA's Grant and Incentive Programs

Since its establishment, Zero Waste SA has implemented four grant and incentive programs that are central to helping South Australia achieve the waste targets outlined above. Zero Waste SA also invests funds in the administration and management of these funding schemes. These administrative processes include: the co-ordination of grant guidelines, promotions and advertising, assessment of applications and recommendations to the Board of ZWSA.

The four grant and incentive programs are:

1. Reuse and Recycling Infrastructure Grant Program

Through this program, ZWSA works with resource recovery and recycling industries, to establish an extensive network of reuse and recycling infrastructure. Funds are applied to assist industry in infrastructure investment focussing on diverting maximum tonnage from landfill.

2. Kerbside Performance Incentives

The Kerbside Performance Incentives program encourages South Australian councils to adopt high performance resource recovery and recycling services. Each upgrade to a high performance resource recovery and recycling service involves moving to the safer, higher-yielding bin systems advocated through the program.

3. Regional Infrastructure Grants

The Regional Infrastructure Grants aim to play an integral role in ensuring the long-term future viability of recycling throughout regional South Australia by assisting regional councils and contractors to establish and upgrade good quality infrastructure. The Regional Infrastructure Grants program has been recently changed and re-named the *Regional Implementation Program*.

4. Research and Market Development Grant Program

This program aims to build South Australia's capacity to develop innovative recycled products and expand opportunities for local businesses in local, interstate and overseas market. These grants focus on priority materials including those collected at kerbside, construction and demolition wastes, and green organics; and problematic wastes including CCA treated timber, tyres, and electronic waste.

2.2 The Project

2.2.1 Rationale and Aims

The outcomes of the four ZWSA grant and incentive programs must be assessed as these early investments are realised, to ensure value for money and measure progress towards the broader State Strategic Plan target of 25 percent reduction of waste to landfill by 2014.

In response to this need, Zero Waste SA sought the services of independent consultants to conduct a review of the effectiveness of the ZWSA grant and incentive programs and the management of their related application processes. Based on the review findings it asked the consultants to make recommendations to further improve the program's effectiveness and management processes.

The project objectives and scope of the review from the tender terms of reference are listed in Sections 2.2.2 and 2.2.3. Environmental consultancy Molino Stewart Pty Ltd was engaged by ZWSA to carry out this review project.

2.2.2 Objectives

As stated in the project terms of reference, the project seeks to:

- Review the effectiveness of each grant and incentive program
- Review the processes for grant application and assessment
- Provide recommendations for improvements in programs, including performance reporting measures and application processes

2.2.3 Scope

As stated in the project terms of reference, the review of program effectiveness will focus on the following criteria.

- Amount of waste diverted which contribute to waste stream targets as outlined in Table 1
- Investment (\$) per tonne of waste diverted
- ZWSA investment (\$) in relation to infrastructure and services generated (\$)
- Projected outcomes as set in Funding Agreements with recipients
- Improvement in efficiencies in grant-recipient, resource recovery and recycling systems
- Stakeholder perceptions
- Risk level of projects
- Employment generated
- Education and community awareness
- Program assessment criteria as stated in program guidelines
- Reporting information

The review of application and assessment processes and procedures will be made against internal stakeholder survey data and include the views of a sample of grant recipients and members of Grant Assessment Panels.

The recommendations from this review will assist Zero Waste SA to determine the direction of future funding programs that intend to encourage resource-recovery and recycling.

2.2.4 Report Outline

This report constitutes Molino Stewart's response to the terms of reference for the project. It addresses the project objectives and focuses on the criteria listed in Sections 2.2.2 and 2.2.3.

The report is constructed as follows:

Section 1 contains the executive summary covering the main findings of the review and recommendations to ZWSA.

Section 2 is the introduction to the project.

Section 3 is an outline of the review methodology.

Section 4 comprises an explanation of the limitations and assumptions that should be noted in the review findings.

Section 5 contains the findings from a desktop review of recent resource recovery and recycling grant and incentive programs undertaken in Australia.

Section 6 contains the findings from the review of the effectiveness of each grant and incentive program.

Section 7 contains the findings from the review of the processes for grant administration including application and assessment.

Section 8 is a discussion of the findings that lead towards recommendations to ZWSA.

Section 9 contains the conclusions of the review and a series of recommendations to ZWSA based on these conclusions.

Section 10 contains the references for this report.

The background reports and spreadsheets used in analysis for Sections 5, 6 and 7 are provided as appendices.

3 METHODOLOGY

To conduct the review as described in Section 2, Molino Stewart carried out the following eight tasks.

Task 1 Project Inception Meeting

To commence the project, Molino Stewart project manager Neil Dufty met with Piero Fioretti and Alexandra Davis from ZWSA at their Adelaide office on 21 February 2007. At this meeting, currently available reports and data sets pertinent to the project were provided by ZWSA along with contact details of Assessment Panel members and program managers who were to be interviewed. The meeting also confirmed project milestones, processes and timeframes.

Task 2 Develop review framework

Based on discussions at the project inception meeting, Molino Stewart prepared a review framework which outlined quantitative and qualitative methodologies to be used to address the three project objectives outlined in Section 2.2.2 and the program review criteria outlined in Section 2.2.3. ZWSA staff reviewed the draft framework and amendments to it were made based on their comments.

The framework for the review of the program effectiveness is provided in Table 2 and for the assessment processes in Table 3.

Table 2 Review Framework for program effectiveness

Review Criteria	Quantitative Methods	Qualitative Methods
<i>Amount of waste diverted which contribute to waste stream targets</i>	Calculated using completed project data from database & project reports plus interim data from recipients using project template	
<i>Investment \$ per tonne of waste diverted</i>	Calculated from combined completed and interim project investment and diversion data Compare with overall SA investment measures	
<i>ZWSA investment (\$) in relation to infrastructure and services generated</i>	Calculated from combined completed and interim project ZWSA investment and infrastructure/services data	
<i>Individual project targets</i>		Summary of recipient-reported completion of project targets
<i>Improvement in efficiencies in resource-recovery and recycling systems</i>	Comparison of total inputs (e.g. total investment) with total outputs (e.g. resource recovery, recycling performance)	Summary of recipient-reported improvement in efficiencies
<i>Stakeholder perceptions</i>		Interview questions with small sample of Grant Assessment Panel

Review Criteria	Quantitative Methods	Qualitative Methods
		members and recipients Perceptions in recipient/non-recipient survey report
<i>Risk level of project</i>		Based on consultant's assessment of project risks based on experience with similar programs
<i>Employment generated</i>	Derived from completed and interim project reports and database	
<i>Education and Community Awareness</i>		Derived from completed and interim project reports
<i>Program assessment criteria</i>		Derived from completed and interim project reports and database
<i>Other criteria</i>		Consultant's assessment of the appropriateness of reporting information

Table 3 Review Framework for assessment and administrative processes

Review Criteria	Quantitative Methods	Qualitative Methods
<i>Incentive Program Planning</i>	Check with list of best practices based on Australian (e.g. ANAO) and international guidelines	Interview questions with ZWSA program officers and Grant Assessment Panel members re aspects of planning
<i>Project selection procedures and analysis</i>	Check with list of best practices based on Australian (e.g. ANAO) and international guidelines	Interview questions with small sample of Grant Assessment Panel members and recipients. Perceptions in recipient/non-recipient survey report
<i>Management of Funding Agreements</i>	Check with list of best practices based on Australian (e.g. ANAO) and international guidelines	Interview questions with ZWSA program officers and recipients re: aspects of management
<i>Evaluation of incentive programs</i>	Check with list of best practices based on Australian (e.g. ANAO) and international guidelines	Interview questions with ZWSA program officers re: aspects of formative and summative evaluation

Task 3 Undertake Desktop Review

As context for the review, Molino Stewart undertook a comprehensive desktop review of similar grant and incentive programs undertaken around Australia in the resource recovery and recycling sector. This desktop review was primarily conducted using Internet searching with databases from the Molino Stewart publication, *The Australian Green Grants Guide 2007*, guiding the research.

The following sectors were researched to identify similar grant and incentive programs:

- Business/organisations in waste sector
- Australian Government
- State and Territory Governments
- Non-Government Organisations (NGOs)
- Philanthropic Organisations

After obtaining this data, a comparison between these programs and those offered at Zero Waste SA was made.

A summary of findings from this desktop review is provided in Section 5 and the full report in Appendix A.

Task 4 Data Collection

Molino Stewart examined the following data sources to review the effectiveness of the grant and incentive programs:

- South Australia's Waste Strategy 2005-2010
- Zero Waste SA Business Plan 2004-05/2005-06
- Zero Waste SA Annual Report 2005-06
- Program Guideline and Performance Reporting documents and templates relating to the review
- Summary of grant and incentive programs performance data, including contact details and project representatives
- Grant conference notes
- Landfill Survey report
- Internal stakeholder survey data (2006)
- Grant and incentive programs processes and procedures

Zero Waste SA provided Molino Stewart with performance reports for 30 projects (25 completed performance reports and five interim reports) from each grant program as divided below:

- Kerbside Performance Incentives – 19 completed performance reports (round one)
- Regional Infrastructure Grant – four completed reports and one interim report
- Re-use and Recycling Infrastructure Grant – one completed performance reports and two interim reports
- Research and Market Development – one complete report and two interim reports.

To obtain a comprehensive understanding of funding outcomes, Molino Stewart also needed to collect performance data from 21 additional interim projects (Round Two and Three of Kerbside Performance Incentives were not collected as audits had not been performed at this time). This interim performance data was collected using the following three steps:

1. Each project manager was contacted by telephone to be introduced to the project and requested to provide performance data to date.
2. Each phone call was followed by a short email with an introductory letter from Zero Waste SA attached and the same reporting template as used for the completed projects. Each grant recipient was given 1.5 weeks to complete the form and return it to Molino Stewart.
3. After the deadline, those grant recipients that did not provide a report were given a courtesy reminder email.

Ultimately, some performance reports were not able to be used in this analysis as little to no quantitative data had been provided by the recipient. Therefore, 31 performance reports¹ overall from completed and interim projects were used in this report as divided in Table 4.

Table 4 Summary of grant program performance reports provided and collected

<i>Funding Program</i>	Total projects approved/ funded by ZWSA since establishment	Completed Performance Reports	Interim Reports (provided with quantitative data)	Interim Reports (provided with <u>no</u> quantitative data)	Total Reports used in this review (completed and interim)
<i>Kerbside Performance Incentive (Round One)</i>	39	19	0	1	19
<i>Regional Infrastructure Grant</i>	16	4	2	5	6
<i>Re-use and Recycling Infrastructure Grant</i>	9	1	4	1	5
<i>Research and Market Development Grant</i>	6	1	0	3	1
Total	70	25	6	10	31

Review limitations arising from the success in collecting interim performance data are discussed in Section 4.

Molino Stewart also prepared a series of questions to interview members of Assessment Panels and ZWSA program managers about grant administration including assessment and application processes and procedures. ZWSA reviewed the questions

¹ Only 30 reports included quantitative recovery and recycling data as this type of data was not appropriate for the one completed Research and Market Development Grant project

prior to the interviews and some amendments were made by Molino Stewart. The final interview questions are provided in Appendix B.

Assessment Panel members and program managers for each of the four grant programs were then interviewed between 26 and 28 March 2007.

Task 5 Data Analysis

Molino Stewart analysed the data collected in Task 4. The quantitative and qualitative methods described in the review framework (Tables 2 and 3) were used as a basis for this analysis.

More specifically, the amount of waste diverted from landfill was analysed by:

- Extracting from the performance reports the estimated average annual waste yield
- Determining how many months/years have passed since the reporting period
- Extrapolating the reporting period quantities over that time to determine how much waste has been diverted until the end of 2006

This was done for all the completed projects to ensure consistency for comparison.

The same process was used for determining how much waste has been diverted by grant program. The ZWSA data was compared to SA landfill data to determine how much ZWSA grant programs had contributed towards overall landfill volumes. To do this, the total amount of waste diverted in a given year was calculated then compared to the overall waste to landfill to produce an average diversion rate (%).

Investment figures were extracted from information supplied by ZWSA. The total amount investment was divided by how much waste was estimated to have been diverted as a result of each program. This gives the amount of money invested per tonne of waste diverted. This was calculated for the amount of money that ZWSA invested and the overall investment (including waste industry and local government investment).

The findings of this and other analysis (e.g. interview responses) are summarised in Sections 6 and 7.

Task 6 Provision of Recommendations

Related to the findings in Sections 5, 6 and 7, Molino Stewart prepared a list of recommendations on how Zero Waste SA can improve its grant and incentive programs to more effectively meet the South Australian Waste Targets; and streamline the administration and management process to improve their efficiency and cost-effectiveness. These recommendations are discussed in Section 8 and listed in Section 9.

Task 7 Draft and Final Report

A draft of this report was provided to ZWSA in Microsoft Word format. Upon receipt of comments on the draft report, Molino Stewart finalised the document and provided ZWSA with one bound and one unbound hard copy of the final report and a soft copy in PDF format.

Task 8 Presentation of review outcomes to ZWSA

Molino Stewart prepared and provided a PowerPoint presentation to ZWSA staff of the draft review findings and recommendations at its Adelaide office on 4 April 2007. The staff commented on the draft findings and these comments were considered in the final report.

4 LIMITATIONS AND ASSUMPTIONS

The findings of this report are based primarily on information provided by Zero Waste SA from completed project reports or interim data obtained directly from current recipients. It is assumed that this recipient-reported information is accurate as there was no opportunity to validate data through inspection in this project.

It is important to note that this review is a 'snapshot' – it was carried out in a limited timeframe to gain some indication of the effectiveness of the four programs in contributing towards SA's waste targets. Moreover, with only two years of completed funding projects it is difficult to extrapolate data to gain an accurate insight into the program's progress in achieving the 2014 waste target and those related to the three waste stream categories. *The findings should therefore be viewed as indicative only.*

Interim reports for the incomplete projects were only partially obtained. Interim data was collected by Molino Stewart in the following programs:

- Kerbside Performance Incentives – one interim report (no quantitative data)
- Regional Infrastructure Grant – six interim reports (four reports with no quantitative data)
- Re-use and Recycling Infrastructure Grant – four interim reports (one with no quantitative data)
- Research and Market Development Grant – three interim reports (no quantitative data) – these are not included in the calculation spreadsheets (Appendix A)

As shown in Table 4, only six of the interim reports obtained by Molino Stewart or provided by ZWSA included useful resource recovery and recycling quantitative data. When coupled with completed project reports the interim reports will therefore only give a marginally better indication of effectiveness. Furthermore, although the reporting template used for the completed projects was filled in by the recipients of uncompleted projects, the performance data provided was variable. In some instances, no information could be provided, either because the project was not yet underway or no data was able to be obtained within the specified time period.

To compare the impact of projects (e.g. with SA landfill data), data was extrapolated to a standard reference point i.e. until the end of 2006. This is only an estimate as it assumes that the waste diverted was maintained at that same rate from the end of the reporting period to the end of 2006. This may underestimate the figures as once a system (e.g. in the Kerbside Performance Incentives program) has been set up increased diversion will be ongoing for future years. In other words, projects established in 2005 most likely will be diverting more than the extrapolated figures provided.

The figures for waste diverted and investment do not properly acknowledge the impact of grant activity in 2005 as many of the outcomes were achieved in 2006, although the grant commenced in the preceding year.

A further limitation in the reporting of investment figures related to the grants is that the amounts detailed (e.g. in Table 10) do not include in-kind activities such as staff and other administrative costs.

It should also be noted that interviews about the assessment processes were limited to only a small sample of Assessment Panel members. On the other hand, both program managers were interviewed covering all four programs (each manages two programs).

5 FINDINGS – DESKTOP REVIEW

As a prelude to the review, Molino Stewart was asked to scope similar resource-recovery and recycling financial incentive programs. Through comprehensive desktop research, only ten specific waste management grant and incentive programs were found throughout Australia, other than the four programs provided by ZWSA. These programs are:

1. Butt Littering Trust Grants (Butt Littering Trust);
2. National Packaging Covenant Industry Funding (National Packaging Covenant signatories)
3. Commercial & Industrial Waste Recovery Infrastructure Investment Grants (Sustainability Victoria);
4. Litter Prevention Grants (Sustainability Victoria);
5. Public Place Recycling Grants (Sustainability Victoria);
6. Municipal Waste Recovery Infrastructure Investment Grants (Sustainability Victoria);
7. ecoBiz (Queensland Environmental Protection Authority);
8. Litter Prevention Grants (Keep Australia Beautiful);
9. Strategic Waste Initiatives Scheme (Zero Waste WA); and
10. Community Grants Scheme (Zero Waste WA).

Out of these ten grants, four were offered within Victoria, and another three in Western Australia. Two grants were offered Australia-wide and one financial incentive program was offered from a government department in Queensland. It appears that New South Wales, Australian Capital Territory, Northern Territory and Tasmania do not offer any grants related specifically to the waste sector.

It should be noted that a further 75 Australian grant and incentive programs were found that had a waste management component in them. In other words, these programs covered a range of environmental themes that included 'waste management'. They were provided by all levels of government (including all state governments) as well as non-government organisations, including business charities and other philanthropic entities.

Of these 75 grants: 26 programs are offered Australia-wide, 16 are offered in New South Wales, and ten are offered in both Victoria and Queensland. The remaining 13 grants are distributed amongst the remaining states and territories.

It appears that most of the ten non-SA programs comply well with administrative practices promoted by the Australian Government through the Australian National Audit Office (ANAO). Specifically, this research found that the Butt Littering Trust Fund (Butt Littering Trust), Strategic Waste Incentives Schemes (Zero Waste WA) Litter Prevention Grant (Keep Australia Beautiful, WA), and Zero Waste SA Grants were the most compatible overall with the guidelines in terms of the provision of adequate and useful information in the Application Guidelines and associated Application Form.

The research found only one publicly available evaluation of the effectiveness of grant programs in meeting the program objectives. It also found that most of the ten non-SA programs appeared to comply well with administrative practices promoted by the Australian Government in the *Administration of Grants: Better Practice Guide* (2002) handbook. This is further analysed in Section 7.

The full report for this desktop review is provided in Appendix A.

6 FINDINGS - EFFECTIVENESS OF THE PROGRAMS

This section outlines the findings of the research into the effectiveness of Zero Waste SA's funding programs against the review criteria outlined in Section 2.2.3.

Due to the limited availability and reliability of data provided on interim projects (as discussed in Section 4), performance data relating to completed projects was analysed separately from interim projects, and then merged and reported as a total in Section 6.1.

It is worthy to note that in the following analysis of waste diverted from landfill (Section 6.1) and in the dollar investment per tonne diverted (Section 6.2), the investment by local councils and the recycling and resource recovery industry is substantially greater than the investment by ZeroWaste SA.

6.1 Indicative findings - Amount of Waste Diverted from Landfill

This analysis intended to calculate the amount of waste diverted by material type, which contribute to waste stream targets outlined in Section 2.1. The spreadsheets used to calculate these figures are provided in Appendix C.

Completed and Interim Projects

Table 5 details the amount of waste diverted from landfill through projects that have received funding from ZWSA over (i) 2005, (ii) 2006, (iii) overall (2005 and 2006), and (iv) percentage of total waste diverted for each waste stream.

The duplicate row has been included because some projects divert waste from more than one waste stream - to avoid over-representing ('double counting') the amount of waste diverted, any duplicates have been removed from the total value.

Table 5 Total reported projects - Waste diverted by waste stream

Waste Stream	Waste Diverted (tonnes)	Waste Diverted (tonnes)	Waste Diverted (tonnes)	Waste Stream Diverted (%)
	2005	2006	Cumulative total	Cumulative Total
<i>Municipal Solid Waste</i>	52,831	178,641	231,472	72%
<i>Commercial & Industrial</i>	2,305	85,218	87,523	26%
<i>Construction & Demolition</i>	0	71,601	71,601	2%
<i>Minus Duplicates</i>	-2,035	-68,853	-70,888	-
Total	53,101	266,607	319,708	100 %

Table 5 shows that a far greater tonnage of municipal solid waste was diverted from landfill than the other two waste streams through the three grant and incentive programs. Overall, municipal solid waste constituted 72 percent of the total tonnage of waste diverted to landfill in 2005 and 2006 cumulative.

The figures provided in Table 5 were then compared to the amount of waste still entering landfill in SA in (i) 2005, (ii) 2006, (iii) 2005 and 2006 cumulative, and (iv) percentage of each waste stream diverted. This provides an estimate of the total impact of the programs in diverting waste in the three waste streams². Note that this is based on receipt of data from just more than half of the incomplete projects. The results are shown in Table 6.

Table 6 Total reported projects - Total waste diversion rates

	2005	2006	2005 and 2006 Cumulative
<i>SA Waste to Landfill (tonnes)</i>	1,124,328	1,158,204	2,282,532
<i>ZWSA programs waste diverted (tonnes)</i>	53,101	266,607	319,708
<i>Diversion Rate (%)</i>	4.5%	18.7%	12.3%

Table 6 shows that the total amount of waste diverted over 2005 and 2006 as a result of those projects completed thus far represents the diversion of 12.3% of all waste generated during this time. It is also observable that there has been a sharp increase in the amount of waste diverted from landfill between 2005 and 2006.

From the data provided it was impossible to calculate overall diversion rates for each waste stream as no South Australian information on waste tonnages entering landfill per waste stream is currently available.

The amount of waste diverted as a result of each program was then analysed. The results of this analysis are shown in Table 7. Note that the Research and Market Development Grant program was not included in this analysis as there are no direct landfill quantitative figures that can be attributed to it.

Table 7 Total reported projects - Waste diverted through projects funded by each ZWSA program

<i>Grant Type</i>	Waste Diverted (tonnes)	Waste Diverted (tonnes)	Waste Diverted (tonnes)
	2005	2006	Cumulative Total
<i>Kerbside Performance Incentives</i>	49,824	169,223	219,047
<i>Regional Infrastructure Grants</i>	3,027	8,738	11,765
<i>Re-use and Recycling Infrastructure Grants</i>	250	88,645	88,895
<i>Total</i>	53,101	266,606	319,707

Table 7 shows that overall the Kerbside Performance Incentive Grants contributed 69 percent of the total tonnage of waste diverted from landfill, the Re-use and Recycling Infrastructure Grant contributed 28 percent, and the Regional Infrastructure Grant contributed approximately three percent.

² Diversion rate is calculated by adding the waste diverted from landfill to the waste still entering landfill and then dividing this total by the diverted amount.

Although the figures presented in Tables 5, 6, and 7 should be considered conservative amounts, given the limited availability of much of the interim project data, it is possible to estimate the total impact of all projects funded since 2005 using the currently available interim data. Assuming that the figures for the six interim projects where data was obtainable was to be extrapolated at the same rate³ over the other 14 incomplete interim projects (excluding Market and Research Development projects), a further 179,966 tonnes can be added to the 2006 figure and cumulative amounts in Table 7. It is then estimated that 446,573 tonnes were diverted from landfill in 2006 and 499,674 tonnes cumulatively.

These estimated total figures can then be used to calculate waste diversion rates as shown in Table 8 to further refine the results shown in Table 6.

Table 8 Total reported projects and extrapolated interim data - Total waste diversion rates from ZWSA-funded programs

	2005	2006	2005 and 2006 Cumulative
<i>SA Waste to Landfill (tonnes)</i>	1,124,328	1,158,204	2,282,532
<i>Estimated ZWSA programs - Waste Diverted (tonnes)</i>	53,101	446,573	499,674
<i>Diversion Rate (%)</i>	4.5%	27.8%	17.9%

Table 8 shows that it is estimated that a significant overall diversion rate of 27.8 percent occurred in 2006 and that 17.9 percent of waste was diverted over 2005 and 2006 by projects funded under Zero Waste SA's grant and incentive programs.

6.2 Investment per Tonne of Waste Diverted

The investment per tonne of waste diverted from landfill (see Table 9) was calculated for completed and interim projects conducted for three of Zero Waste SA's grant and incentive programs. Investment under the Research and Market Development Grant Program was not included in this analysis as it does not directly contribute to diversion of waste from landfill.

The figures for local government in Table 9 include both the initial investment by local councils (coupled with the ZWSA grant investment) and ongoing investment by councils in their projects over a year. ZWSA and industry figures are initial investments into the projects only.

Investment per tonne of waste diverted is calculated in Table 9 by dividing investment (both total and ZWSA) by waste diverted. Investment figures have also been classified into 'metropolitan' and 'non-metropolitan' to investigate differences between urban and rural areas.

It should be noted that those interim projects that did not provide any quantifiable data are not included in this analysis. Therefore, the investment figures provided in Table 9 would be lower (more cost-effective) was this analysis to include all projects funded to date.

³ Extrapolated amounts were calculated by determining an average waste tonnage diverted annually from the six interim project reports available and multiplying that figure by 14 to provide an estimate diversion tonnage for the 14 unreported interim projects.

Table 9 Investment into ZWSA grant and incentive programs

	Metropolitan	Non-metropolitan	Total
<i>Local Government Investment</i>	\$19,381,642	\$1,056,953	\$20,438,595
<i>Initial Industry Investment⁴</i>	\$5,545,599	\$3,382,630	\$8,928,229
<i>Initial ZWSA Investment</i>	\$4,924,872	\$1,585,697	\$6,510,569
<i>Total Investment</i>	\$29,852,113	\$6,025,280	\$35,877,393
<i>Waste tonnage diverted</i>	296,295	23,412	319,707
<i>Investment per tonne of waste diverted</i>	\$100.75	\$257.40	\$112.20
<i>Investment per tonne (ZWSA)</i>	\$16.60	\$67.70	\$20.40

Table 9 shows that there has been about five times more investment overall in metropolitan projects than non-metropolitan projects. This is understandable due especially to the much larger number of metropolitan councils that participated in Round One of the Kerbside Performance Incentive program. The table also highlights the fact that investment per tonne of waste diverted is much higher (two and a half times) in non-metropolitan projects than metropolitan ones. ZWSA's investment per tonne is four times greater in non-metropolitan projects.

Table 9 provides an insight into the leveraging effect of ZWSA grants showing that for each ZWSA dollar invested local government and industry have invested approximately \$5.50. This leveraging impact is better demonstrated through Kerbside Performance Incentive Grants reports where an indication of local council investment per ZWSA investment can be calculated, as provided in Table 10.

Table 10 Total investment (Year 1 costs) - Kerbside Performance Incentives

	ZWSA Grant Amount (system upgrade investment)	Council Investment		Total Investment	% ZWSA Investment
		Recyclables	Green Organics		
<i>Metropolitan</i>	\$1,916,311	12,446,864	6,934,778	19,381,642	9.9%
<i>Non-metropolitan</i>	\$242,823	912,969	143,984	1,056,953	23%
<i>Total</i>	\$2,159,134	13,359,833	7,078,762	20,438,595	10.6%

The figures provided in Table 10 show that in reported Kerbside Performance Incentive Grants projects, a leverage ratio (ZWSA investment to council investment) of approximately 1:10 was achieved after the first year of grant activity. The leverage ratio was about the same as the total in metropolitan areas but considerably lower (about 1:4) in non-metropolitan areas.

⁴ This investment is for the grant project only, and represents a fraction of investment by industry in running their business

6.3 Investment In Relation to Infrastructure and Services Generated

The five completed projects that have received funding from the Regional Infrastructure Grant Program or the Re-use and Recycling Infrastructure Grant Program were qualitatively assessed for the infrastructure and/or services generated as a result of these projects. The Kerbside Incentives Program and the Research and Market Development Grant Program were not considered in this assessment as they are not aimed at directly improving infrastructure.

The infrastructure generated as a result of these two Zero Waste SA programs is listed below:

Regional Infrastructure Grant Program

- Three-sided shed for cardboard storage
- A material recovery facility, including building extensions, sorting plant, loader, baler and other associated infrastructure
- Brush Chipper for tree-trimming on Council roads
- Waste Transfer Facility and baler

Re-use and Recycling Infrastructure Grant Program

- Organics receival area

These projects have also generated some services for the community in which they operate. The services generated include, but are not necessarily limited to:

- More efficient and cost-effective recycling of Construction and Demolition waste
- Disposal of tree trimming waste on Council roads which can be used as waste mulch on residents' gardens for water retention, fertiliser and reduce weeds on community parks and gardens
- Storage of salvaged and sellable items that can be re-used by the public
- A waste recovery facility which can process any recyclables produced in the south-east of South Australia

The above information has been extracted from the performance reports completed by Zero Waste SA grant recipients. Some projects may have generated additional services but have not been reported on. As such, this is only a conservative view of this part of the review.

6.4 Individual Project Targets

The performance data from completed projects was analysed for the number of grant programs which had met or exceeded the projected outcomes. The following information was obtained from reported data at the time of project completion. As such, it is worthy to note that any of the projects that are reported as not meeting projected outcomes may have done so since the reporting period.

Kerbside Performance Incentives

The performance criteria for dry recyclables in metropolitan areas was at least 3kg per household per week; and in regional areas the performance criteria was at least 6kg per household per month.

Out of the 19 projects analysed, this research found that:

- All 19 projects met or exceeded projected outcomes for dry recyclable waste yield; and
- 12 projects met projected outcomes of providing a green waste collection service. The other seven projects did not provide a green waste collection service.

Regional Infrastructure Grants

From applications of ten of the 16 projects in the Regional Infrastructure Grant Program, grant recipients predicted they would divert an increase of 17,050 tonnes of waste per year. The remaining six projects did not provide any data on expected waste tonnages diverted per annum.

Analysis of the four completed projects funded by Zero Waste SA found that:

- One project did not meet any projected outcomes. This was due to delays in the construction of the facility to house the recycling infrastructure. However, the project is showing early signs of success.
- One project met or exceeded two of the five projected outcomes. The outcomes not met (projected tonnes of domestic green waste to mulch) are being addressed through discussions with the grantee. The outcomes met for this project related to the projected tonnes of municipal green waste being diverted from landfill and better landfill site utilisation.
- Two projects met or exceeded all project targets

Re-use and Recycling Infrastructure Grant Program

From applications of eight of the nine projects in the Re-use and Recycling Infrastructure Grant Program, grant recipients predicted they would divert an increase of 225,880 tonnes of waste per year. The remaining project did not provide any data on expected waste tonnages diverted per annum.

Analysis of the one completed project funded by Zero Waste SA found that this project met or exceeded its projected outcomes.

Research and Market Development Grant

Only one project previously funded by Zero Waste SA has been completed. The primary outcome of this project was met.

6.5 Improvement in Efficiencies in Resource-Recovery and Recycling Systems

The five completed projects that have received funding from the Regional Infrastructure Grant Program or the Re-use and Recycling Infrastructure Grant Program were qualitatively assessed for the infrastructure and/or services generated as a result of these projects. The Kerbside Performance Incentives Program and the Research and Market Development Grant Program were not considered in this assessment.

The following constitutes the reported improvements in resource-recovery and recycling systems as a result of the projects funded by Zero Waste SA under these two funding programs:

- “Initially, only had a small workforce to conduct a labour intensive operation. The introduction of the Brush Chipper allows the employees to conduct the work in a more efficient manner”

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- “An estimated 70 percent of the product, which would have originally been sent to landfill, can now be sent to Adelaide for recycling as a result of the cardboard storage shed”
 - One company has increased the sale of metals for recycling by approximately 85 tonnes to date. It was also reported that there had been similar increases in concrete and timber/vegetation recycled to date.

In addition to improvements in resource-recovery and recycling systems, one company also reported marked improvements in efficiencies in staff management as a result of the introduction of waste reduction infrastructure.

The above information has been extracted from the performance reports completed by Zero Waste SA grant recipients. Some projects may have generated additional improvements in efficiencies but have not been reported on. As such, this is only a conservative view of this part of the review.

6.6 Stakeholder Perceptions

In 2006, Hyder Consulting conducted a survey of ‘Stakeholder Satisfaction and Benchmarking’ in relation to ZWSA. This survey found that “generally speaking, those stakeholders who have come in contact with ZWSA programs are supportive of them and believe that they produce real results”. The survey report qualified this by saying that “there is concern among some stakeholders that ZWSA lacks some ‘savvy’ in managing the process and outcomes of their grant relationships and therefore under-delivering benefits to the industry”.

A sample of members of the Assessment Panel and the ZWSA program managers were asked in the interviews conducted by Molino Stewart about their perception of the effectiveness of the programs. All programs, except the Research and Market Development Grants, were viewed by the respondents as ‘very effective’ or ‘effective’. Those that commented on the Research and Market Development Grants believed it was difficult to gauge the direct impact of its projects on the waste industry. It was also noted by one that the “poor quality of projects” (both the application and standard of project) funded impaired the efficiency of the program.

Reasons supporting the effectiveness of the other three programs included:

- “Significant tonnages have been diverted from landfill”
- “There’s good ‘bang for the buck’ in this program”
- “Has changed attitudes and practices especially in rural areas”
- “Results have exceeded expectations”

A couple of Panel members stated that it was difficult for them to gauge effectiveness as they had not received feedback from ZWSA on the outcomes of completed projects.

6.7 Risk Level of Projects

The following risks listed in Table 11 were identified through interviews conducted with Assessment Panel Members and ZWSA program managers. Ways to minimise these risks are suggested in the table.

Table 11 Risks identified with projects

Risk	Suggested management methods
<i>Performance targets not met by recipient</i>	Cover risk in funding agreement conditions and execute termination after warning
<i>Planning approvals for new infrastructure delay implementation</i>	Ask for proof of lodgement of a Development Assessment (DA) if applicable as part of the application process
<i>Research and market development projects do not deliver measurable resource recovery and recycling outcomes</i>	Split program into a research program and a market development program and develop appropriate performance incentive targets for both
<i>Poor quality of project reporting</i>	Improve report templates to collect important data in a standard way
<i>Variations sought to funding agreements</i>	Develop protocols to address possible range of variations sought

There was no evidence (apart from Grant Agreements) of a formal approach by ZWSA to identify and manage risks to the four programs. This is further discussed in Section 7.3.

6.8 Employment Generated

Analysis of completed project data has shown that 22 jobs have been created as a result of Zero Waste SA's grant and incentive programs. Job creation has primarily come from the Regional Infrastructure Grants.

It is predicted that an additional ten jobs will be created as a result of projects still underway based on interim data.

6.9 Education and Community Awareness

Out of the 30 completed and interim projects that were reviewed during this project, only three grant recipients have reported on relevant education/community awareness programs that are related to their project. These activities are:

- Registering with community awareness programs, such as 'Recycling Near You'
- Generate media release for newspapers and industry magazines when in full scale production
- Project promotion at a number of South Australian festivals and forums, such as Waite Festival, National Recycled Organics Forum
- Interviews on radio
- Media release in WMA newsletter 'Inside Waste'

Two of the three programs reporting in this area are from the Re-use and Recycling Infrastructure Grant and one was from the Research and Market Development Grant Program. Ways to improve reporting about education and community awareness programs are further discussed in Section 8.1.

6.10 Program Assessment Criteria

The program assessment criteria (as stated in program guidelines) were generally viewed as being appropriate and effective by program managers and Assessment Panel members in their respective interviews. One of those interviewed commented that there was a need to further determine the financial viability of applicants to ensure that this risk is minimised. The effectiveness of assessment and selection criteria is further discussed in Section 7.2.

6.11 Reporting information

From Molino Stewart analysis, out of the four funding programs that are offered by Zero Waste SA, the Kerbside Performance Incentive program provides the most useful and accurate reporting information. This is primarily because the template is comprised of closed questions and the reporter is not able to defer from the specific question. In the other programs, particularly the Re-use and Recycling Infrastructure Grant and the Regional Infrastructure Grant, the questions are open to the reporter's own interpretation. As a result, the answers can be ambiguous or incomplete. In some instances, waste diversion data was provided in units not specified in the template, which makes it difficult to collect data in an efficient manner. In addition, grant providers have reported over varying time periods which makes it difficult to make comparisons between projects as the data is not comparable. The data then needs to be extrapolated or reduced to compare over the same time period, which then reduces the accuracy of the data. Some grant recipients had not provided information on what time period they were even reporting on, which makes it difficult to determine how much waste would have been diverted since the project was completed.

The grant recipients were asked to report on their project very soon after it is completed. *It was often reported that waste diversion was likely to increase through time as the infrastructure/process/project became more efficient and that the reported quantities were not accurate indications of actual waste diversion potential.*

To improve the collection of data the questions in the report should be tailored specifically to the specific data ZWSA wishes to collect. It is then easy to extract the information and add it to an already established spreadsheet. Once this is done, it is only a matter of updating the spreadsheet when new data comes in.

7 FINDINGS- REVIEW OF ADMINISTRATIVE PROCESSES AND PROCEDURES

7.1 Stakeholder perceptions

As discussed in Section 6.6, Hyder Consulting conducted a survey of ‘Stakeholder Satisfaction and Benchmarking’ in relation to ZWSA. In terms of administrative processes the survey found that “there is concern among some stakeholders that ZWSA lacks some ‘savvy’ in managing the process and outcomes of their grant relationships and therefore under-delivering benefits to the industry”.

The survey report added that “Those who have not received grants tend to question the validity of grants to a greater degree, on the basis of grants providing an unfair advantage in the market place to those who receive them. These stakeholders believe that innovations are not spread onwards to others in the same industry as the grant recipient”.

7.2 Findings from interviews

The interviews with Assessment Panel members and ZWSA program managers focussed primarily on the promotion and assessment of the four programs. This part of the grant administration was investigated as it was an area of concern raised in the stakeholder survey (see Section 7.1) and where the views of Panel members and program managers could be compared as both were involved in assessment. The interview questions referred to below are found in Appendix B.

Questions 2-4 investigated the promotion of the four grant programs including advertising. Panel members generally displayed a good understanding of this stage in grant administration as a prelude to application assessment. There was a general belief that these promotional processes were sound. The processes are further discussed in relation to leading practices in Section 7.3.

Further commenting on the application period, one Panel member did express the need for more preparatory support for small local councils that apparently struggled to access investment funding and prepare their applications within what for most was a “reasonable application duration”. Another member believed that there should be more notice provided of the funding round to better prepare quality applications.

All respondents to Question 5 believed that the selection criteria were used as the main reference for selection of projects.

In responding to Question 6, both program managers and Panel members identified ways to ensure consistency and fairness in the assessment of applications. These methods included:

- All applications on a standard form.
- Screening for eligibility based on eligibility selection criteria stated in grant application guidelines.
- Two–tiered assessment process involving individual and independent ranking by Assessment Panel members and then ranking and selection as a Panel. In the case of the Regional Implementation Program initial rankings were made through regional assessment and then centrally by the Panel. The Kerbside Incentives Program did not require an Assessment Panel as it was not ‘competitive’ – applicants had to meet clear yield guidelines to secure funding.
- Use of merit selection criteria stated in grant application guidelines as a basis for assessment rankings.

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- Use of spreadsheets to enable clear comparison of projects in Panel meetings.
 - Panel members selected from a range of backgrounds including industry, council and state agency representatives. This was aimed at ensuring a balanced perspective in selecting projects.

All respondents to Question 7 believed that reasons for selection and non-selection of projects were well-documented. Several added that the reasons were noted by ZWSA staff in Panel meetings and believed that they formed the basis for feedback especially to unsuccessful applicants.

All respondents believed that the assessment and selection process to be 'transparent' (Question 8). Reasons for this included the use of the 'conflict of interest' procedure where Panel members that declare an interest (pecuniary or otherwise) in a project are asked to leave the meeting. The range of backgrounds of Panel members was seen as another measure to reduce bias in assessment and selection.

In the case of the Regional Implementation Program, an independent consultant was engaged to chair meetings to further ensure transparency in the process. All selection decisions from Panels are referred to the ZWSA Board for final selection. The Board therefore is another 'tier of decision-making' to ensure transparency.

All respondents also viewed the assessment and selection processes as 'equitable' (Question 9). A few noted that it was difficult to compare projects that varied in scope, investment and applicant. For example, comparing a school waste management project application to ones from councils or recyclers. They felt it was also difficult to compare projects across regions.

All respondents believed that the program guidelines and selection criteria were clear and devoid of misunderstanding (Question 12). In fact, it was noted that some of the guidelines had been professionally edited to ensure clarity. In the case of the Research and Market Development Grant Guidelines, the selection criteria had been moved to the front of the guidelines in Round 2 to reduce misunderstanding.

In summary, all respondents in Question 10 felt that the assessment and selection process was 'effective' or 'very effective' for the three programs other than the Kerbside Performance Incentives program which was viewed as 'extremely effective' by its program manager.

Panel members in several instances stated that the respective program managers were a major factor in this effectiveness through their diligence and professionalism.

Question 11 asked for suggestions to improve the assessment and selection processes. The following suggestions were made from this question and more general ones from further comments (Question 14):

Kerbside Performance Incentives

- Possible need to move from good recycling yield to target special areas that might be lagging e.g. food composting
- Need to engage regional cities that have not been involved in the program

Reuse and Recycling Infrastructure Program

- Possible need to further target specific waste streams e.g. food organics and areas e.g. rural
- Need for Panel members to receive feedback on the outcomes of projects as a basis of future assessment and selection
- Continually try to improve grant applications especially applicant's business planning
- Notify potential applicants at least 12 months prior to the application period so they can prepare projects
- Panel must be clear about total pool of funds per Round

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- ZWSA must be stricter on financial eligibility

Regional Implementation Program (formerly Regional Infrastructure Grants)

- Further assistance in helping applicants prepare and relate their projects to regional plans
- Longer timeframe for planning especially with smaller local councils
- Raise level of funding by increasing levies to landfill
- Possible splitting into different programs to accommodate both small and large scale projects
- Refine application form to obtain more information about potential benefits of projects
- Need to develop a clear protocol to deal with variations to funding agreements

Research and Market Development Grants

- Use techniques to raise the standard of applications including more incisive promotion (e.g. to universities, industry bodies, councils), application writing workshops with potential applicants, advertise timing of rounds to enable potential applicants to prepare
- More clearly articulate priority areas especially to potential applicants
- Develop performance indicators and data that are suitable to gauge success of this program such as 'number of markets developed
- Spilt this program into R&D and Market Development programs

7.3 Compliance with leading practices

The ZWSA programs were compared with leading or 'better' practices in the administration of grants. The main reference to ascertain leading practice compliance was the *Administration of Grants – Better Practice Guide* issued by the Australian Government's Australian National Audit Office (ANAO). The ANAO Guide lists four main stages in the administration of grants.

1. Planning for an Effective Grant Program
2. Selection of Projects
3. Management of Funding Agreements
4. Evaluation of the Grant Program

There is a feedback loop from evaluation to planning to ensure continual improvement. At each stage there are a series of better practice steps identified. These are used in the following appraisal of the ZWSA programs.

In terms of planning, there was documented evidence that each of the four ZWSA was derived from South Australia's Waste Strategy and the ZWSA Business Plan. This established the need for each program.

There was further evidence that the following ANAO guidelines had been adhered to in the planning process:

- Define program objectives
- Design program for value for money
- Design program for accountability
- Establish performance measures (possibly lacking in Research and Market Development Grants)

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- Select funding strategy
 - Consider taxation issues
 - Produce program guidelines

As noted in Section 6.7, the only area that there was no evidence of in documents and discussion was 'risk management'. Further effort is required in this area of planning.

The selection of projects has been analysed in detail through the interviews discussed in Section 7.2. The interview questions were based on the ANAO Guide so the Section 7.2 discussion can be inserted here.

In managing funding agreements, ZWSA programs generally complied with practices listed under the following ANAO Guide headings:

- Establish funding agreements
- Establish monitoring arrangements
- Monitor progress and payments
- Acquit funds

Two areas that could require further attention are:

1. Improvements in the focus and clarity of end-of-project reports to ensure meaningful and consistent data is obtained (this does not include the Kerbside Performance Incentives program)
2. Procedures for dealing with all types of variations to funding agreements should be clearly documented

There are several mechanisms in place for program evaluation to inform future planning. These include:

- Ongoing reflection by program managers
- De-briefing and post-assessment review by Assessment Panels
- Ongoing review by the ZWSA Board and senior management through strategic and business planning
- Specific review such as the *Issues Paper on Regional Waste Management Planning in Country South Australia* conducted by ZWSA. This review triggered the decision "to combine the assistance previously provided the regional planning and Regional Infrastructure Grants to deliver a combined Regional Implementation Program".
- Stakeholder research such as that conducted by Hyder in 2006
- This 'snapshot' review of program effectiveness and processes

Although there is evidence of both 'formative' (during program) and 'summative' (end of program) evaluation, no evidence was found that this has been encapsulated in an 'evaluation plan' for each program that included the following practices from the ANAO Guide.

- Ensure performance information is adequate for evaluation purposes (see reporting of information, Section 6.11)
- Review programs periodically for economy, efficiency and effectiveness
- Ensure program evaluators are independent of program managers
- Assess the relevance of objectives and performance measures
- Determine if the program is achieving intended outcomes
- Check whether grant benefits are in substitution for other benefits

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- Assess the quality of benefits provided
 - Review whether the same outcome or better could have been achieved more cost effectively
 - Make necessary adjustments to the operation of the program
 - Ensure that evaluations are reported at the appropriate level.

It should be stressed that some of these evaluation practices are currently being implemented but an evaluation plan would formalise the practices and enable better 'tweaking' and positioning of the programs to help achieve the SA waste targets.

8 DISCUSSION

8.1 Effectiveness of ZWSA incentive programs

Overall, from this review it appears that the ZWSA grant and incentive programs are making a significant contribution towards achieving SA's waste targets. It is estimated that as a result of the programs, 446,573 tonnes were diverted from landfill in 2006 and 499,674 tonnes cumulatively (2005 and 2006). These figures are most likely considerable underestimates of ZWSA program impacts as they do not accommodate the fact that new systems once established increase diversion in ensuing years.

Analysis of all the performance data received shows that Zero Waste SA's funding programs have achieved landfill diversion rates of 4.5 percent (for 2005), 18.7 percent (for 2006) and 12.3 percent (cumulative over 2005 and 2006). Moreover, it is estimated that Zero Waste SA has achieved landfill diversion rates of 27.8 percent (for 2006) and 17.9 percent (cumulative over 2005 and 2006) when extrapolating the interim performance data to include those projects not able to provide quantifiable performance data. These figures show that the programs are making an important contribution to the SA's waste target of reducing solid waste to landfill of 25 percent by 2014.

It was difficult to ascertain how the programs were contributing to SA's specific waste stream targets as no information for total tonnages to SA landfill in each stream is currently available. The only indication could be obtained from the Kerbside Performance Incentives reports. These reports showed that on average 44 percent of recyclable wastes were diverted by participating local councils as a result of their projects. This figure for recyclables is well above the 2006 South Australian target for Municipal Solid Waste of 'at least 25 percent of all material presented at the kerbside is recycled'. If all metropolitan and regional councils are included in this program and as recently established kerbside systems begin to operate at full capacity, there is every chance that targets for 2008 and 2010 will be achieved in this waste stream.

When reviewing the value of ZWSA investment dollars, again the effectiveness is most likely understated as the total tonnage of waste diverted is conservative as discussed above. It is difficult to compare the figures of investment per tonne diverted with a benchmark such as those obtained through similar schemes. What is obvious is the marked difference between metropolitan and non-metropolitan areas in terms of investment per tonne diverted. The much higher non-metropolitan figures are possibly due to higher costs related to isolation.

From the Kerbside Performance Incentives reports some indication of the effectiveness of the programs in leveraging external investment can be made. The leverage ratio of ZWSA investment to council investment demonstrates a large investment commitment by councils with the assistance of the ZWSA seeding funds. It is interesting to note that the leverage ratio is much lower in non-metropolitan than in metropolitan areas possibly due to the smaller waste stream in rural areas.

Investigation of other review criteria showed that the programs generated resource recovery and recycling infrastructure and services many of which may not have commenced without the programs. There was also proof through recipient reporting that the programs had improved efficiencies of resource recovery and recycling systems such as changes from manual to automated systems.

In terms of reported achievement of project targets, most of the projects met or exceeded targets. The Kerbside Incentive Grant program had a very high success rate in achieving targets.

The perceptions of program managers and Assessment Panel members interviewed about the effectiveness support the Hyder stakeholder review finding that the ZWSA programs produce 'real results'. The only program where there was doubt expressed in the interviews about its effectiveness was the Research and Market Development Grants. There was some criticism about the standard of projects submitted and

approved in this program and the fact that some funds were unspent because there were not enough suitable projects based on the selection criteria.

Other reported benefits of the programs included the generation of 22 jobs and some education and community awareness programs.

Some risks related to the success of the programs were identified through interviews and analysis and listed in Table 11. There was no evidence of a formal approach by ZWSA to identify and manage risks although staff informally could list several.

The program assessment and selection criteria in the four programs were viewed by interviewees as both effective and appropriate. It was noted by one of those interviewed that 'financial viability' could be more strictly enforced.

Apart from the Kerbside Performance Incentives program, reporting templates were seen as being poor as they lacked the ability to collect specific and standard data that could be used in program evaluation and broader reporting. Some parts of the reporting are more appropriate to other ZWSA activities. For example, community education and awareness components of the projects could be better coordinated and reported on through specialist ZWSA communications/education staff.

From the data provided it was impossible to calculate overall diversion rates for each waste stream as no South Australian information on waste tonnages entering landfill per waste stream is currently available. It is therefore recommended that this waste stream tonnage data be gathered by ZWSA to enable progress towards SA waste stream targets to be monitored.

8.2 Administrative processes and procedures

The results of interviews and Molino Stewart investigations tended to question the Hyder stakeholder survey findings in relation to ZWSA's administrative processes and procedures. The contention that the ZWSA was not 'savvy' in its management of the grants process is largely disputed by this review.

From this review, all grant programs were promoted through a broad range of potential applicants. The application process was perceived by interviewees as being equitable and transparent due to mechanisms such as a two-stage assessment process and strict use of the 'conflict of interest' protocol.

Selection criteria were rightly viewed as the main tool for assessment of projects. The program guidelines and selection criteria were seen as being clear and devoid of misunderstanding.

In comparison to Australian National Audit Office (ANAO) Guidelines for Grant Administration, the ZWSA programs were found to be largely compliant with the ANAO's better practices. As shown by the interviews, the assessment and selection stage of grant administration was particularly robust. In the planning stage of administration the main gap was identified in 'risk management' as also noted in Section 8.1.

The stage of management of funding agreements was also addressed well by ZWSA practices. Improvements in reporting and in dealing with variations to funding agreements were the only recommendations from the analysis of this stage.

It was in the program evaluation stage that there were the most gaps in comparing ANAO Guidelines with ZWSA practices. Although there were some evaluation mechanisms used by ZWSA, a formal evaluation plan for the programs is recommended covering the practices in the ANAO Guidelines.

8.3 Further discussion

From the interviews and analysis some further points require management. From this review it appears that the Research and Market Development Grant program is not as effective as it could be. Indicators of this include the program not spending all available funds and one interviewee questioning the standard of applications and projects. As it deals with two almost separate types of projects, it is recommended that the program is split into Research and Development (R&D) and Market Development (MD) programs to enable better focus (and quality of application) in these areas.

The issue of success indicators appropriate to both research and market development should be discussed in the re-planning of these programs. Indicators that are not directly related to diversions (such as 'markets developed') should be investigated. The dilemma of whether to attract high risk yet innovative projects compared with more conservative projects should also be discussed and resolved.

There was also a concern that several high quality projects missed funding in the Regional Implementation Program and Reuse and Recycling Infrastructure Program. One could obviously recommend higher levels of funding in these programs. An alternative is to ask these applicants to re-submit their application in the next funding round.

Alternative models to the existing programs should be continually considered in the planning/evaluation process by both ZWSA staff and its Board. One alternative is 'loans' where ZWSA investment is returned by recipients over time. Whilst this enables return and then possible 're-use' of funds invested, it can cause administrative problems including debt recovery where recipients move or close their operations. At this stage, the 'loans' model is not recommended for the ZWSA programs.

Another model is 'year round grant application' where applicants can apply at any time for grants. Although apparently highly equitable, it also can encounter administrative problems relating to ongoing cash flows and difficulty to compare applications through the year. This approach is also not recommended for ZWSA grant programs.

One model that could be considered in time is the 'devolved' grant where ZWSA partners with a lead organisation (e.g. regional body) that assesses and administers the funds locally. This could be considered as the grant programs mature and when ZWSA can confidently hand over total or partial responsibility to other bodies and take a more overseeing role. This could free staff and resources to target lagging resource recovery areas with new grants or other methods e.g. consultation, education.

As part of its recommended evaluation plan for programs, ZWSA should also consider when to commence and close grant programs and how to morph programs into ones with better focus in addressing any lagging areas in progressing towards SA's waste targets.

9 CONCLUSIONS AND RECOMMENDATIONS

9.1 Conclusions

The Molino Stewart review found that, from data available, the ZWSA programs were generally effective in diverting large tonnages from SA landfill across the three waste streams. The programs were shown to have made significant contributions to the SA waste targets and had stimulated considerable investment from local councils, and leveraged establishment of resource recovery and recycling infrastructure.

Other benefits of the programs included employment, new education programs, more efficient resource recycling and recovery systems and new infrastructure and services.

Some areas related to efficiency require improvement. Some project targets had not been achieved by recipients - these need to be further analysed in evaluation.

It was found that for three of the programs an improved reporting template was required to better capture data.

Assessment and selection processes were found to be robust, transparent and equitable. Improvements in the administration of the grants include the use of a risk management plan and evaluation plan for the programs.

9.2 Recommendations

The following recommendations are based on the findings and discussion and are aimed at helping ZWSA improve the effectiveness of the four grant and incentive programs and their processes.

1. Develop and implement a comprehensive evaluation plan for each program based on practices in the ANAO Guide
2. Continue with the Re-use and Recycling Infrastructure Program, Kerbside Performance Incentives and the Regional Implementation Program based on intelligence from their respective evaluation plans
3. Divide the Research and Market Development Grant Program into a Research and Development Program and Market Development Program
4. Improve the consistency and specificity of data received from project reports in all programs other than the Kerbside Performance Incentives program
5. Include risk management in the future planning of all programs
6. Provide Panel members with feedback on the outcomes of projects from previous funding rounds
7. Provide early notice to all potential applicants to enable them to access funds and plan their projects
8. Develop and implement procedures to deal with variations to funding agreements
9. Gather data on SA tonnages entering landfill in each waste stream to enable monitoring of progress towards SA waste stream targets in resource recovery and recycling

10 REFERENCES

The main reference to conduct the desktop review (Section 5) of similar Australian resource recovery and recycling grant programs was:

- *The Australian Green Grants Guide 2007* published by Molino Stewart Pty Ltd

The following documents were referenced in the analysis of ZWSA quantitative and other report data (Section 6).

- South Australia's Waste Strategy 2005-2010
- Zero Waste SA Business Plan 2004-05/2005-06
- Zero Waste SA Annual Report 2005-06
- Program Guideline and Performance Reporting documents and templates relating to the review
- Summary of grant and incentive programs performance data, including contact details and project representatives
- Grant conference notes provided by ZWSA
- Landfill Survey report
- Internal stakeholder survey data (2006)

The main reference for the analysis of better practices in grant administration (Section 6) was:

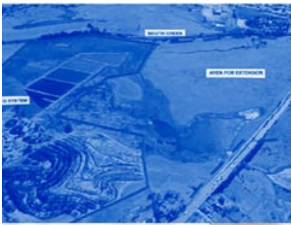
- *Administration of Grants: Better Practice Guide* (2002) published by the Australian National Audit Office (ANAO)

Appendix A

Report - A Review of Australian Resource Recovery and Recycling Sector Grant and Financial Incentive Programs

**A Review of Australian
Resource-Recovery
and Recycling Sector
Grant and Financial
Incentive Programs**


MOLINO STEWART
INTEGRATED SUSTAINABLE SOLUTIONS



Report



**A Review of Australian Resource-Recovery and Recycling
Sector Grant and Financial Incentive Programs**

REPORT

for

Zero Waste SA

by

Molino Stewart Pty Ltd

ACN 067 774 332

MARCH 2007

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1 EXECUTIVE SUMMARY

Environmental consultancy Molino Stewart Pty Ltd was engaged by Zero Waste SA (ZWSA) to evaluate the effectiveness of its grant and incentive programs and assess the administrative processes used in the programs.

As a prelude to this review, Molino Stewart was asked to scope similar resource-recovery and recycling financial incentive programs. Through comprehensive desktop research, only ten specific waste management grant and incentive programs were found throughout Australia, other than the four programs provided by ZWSA. These programs are:

- Butt Littering Trust Grants (Butt Littering Trust);
- National Packaging Covenant Industry Funding (National Packaging Covenant signatories)
- Commercial & Industrial Waste Recovery Infrastructure Investment Grants (Sustainability Victoria);
- Litter Prevention Grants (Sustainability Victoria);
- Public Place Recycling Grants (Sustainability Victoria);
- Municipal Waste Recovery Infrastructure Investment Grants (Sustainability Victoria);
- ecoBiz (Queensland Environmental Protection Authority);
- Litter Prevention Grants (Keep Australia Beautiful);
- Strategic Waste Initiatives Scheme (Zero Waste WA); and
- Community Grants Scheme (Zero Waste WA).

Out of the ten grants, four were offered within Victoria, and another three in Western Australia. Two grants were offered Australia-wide and one financial incentive program was offered from a government department in Queensland. It appears that New South Wales, Australian Capital Territory, Northern Territory and Tasmania do not offer any grants related specifically to the waste sector.

It should be noted that a further 75 Australian grant and incentive programs were found that had a waste management component in them. In other words, these programs covered a range of environmental themes that included 'waste management'. They were provided by all levels of government (including all state governments) as well as non-government organisations, including business charities and other philanthropic entities.

Of these 75 grants: 26 programs are offered Australia-wide, 16 are offered in New South Wales, and ten are offered in both Victoria and Queensland. The remaining 13 grants are distributed amongst the remaining states and territories.

It was calculated that 42 percent and 24 percent of the 75 additional grant programs were offered by local councils and government agencies respectively. Businesses and philanthropic organisations both contribute 16 percent of these programs. Catchment Management Authorities constitute only two percent. This demonstrates that a significant percentage of grant programs are offered by Government (local, state and federal).

The research found only one publicly available evaluation of the effectiveness of grant programs in meeting the program objectives. It also found that most of the ten non-SA programs appeared to comply well with administrative practices promoted by the Australian Government in the *Administration of Grants: Better Practice Guide* (2002) handbook.

2 INTRODUCTION

2.1 Background

Since its establishment, Zero Waste SA (ZWSA) has implemented four grant and incentive programs that are central to helping South Australia achieve its waste targets. These financial incentive programs encourage the application and development of ZWSA programs and strategies within governments, businesses and communities which may have taken longer to accomplish without the incentive.

The outcomes of these schemes and the associated administrative costs must be assessed as these early investments are realised, to ensure value for money and measure progress towards the broader State Strategic Plan target of 25 percent reduction of waste to landfill by 2014.

Environmental consultancy, Molino Stewart Pty Ltd was engaged by ZWSA to:

1. Review the effectiveness of ZWSA's financial incentive programs in contributing towards achieving the key waste stream targets outlined in South Australia's Waste Strategy 2005-2010 and the broader State Strategic Plan;
2. Review the processes for grant application and assessment; and
3. Provide recommendations for improvements based on the review.

To place the ZWSA programs in a broader context, a desktop review of similar grant and incentive programs undertaken around Australia in the resource-recovery and recycling sector was sought. This report constitutes the findings of this desktop review.

2.2 Aim

The objective of this task is to conduct a review of similar grant and incentive programs undertaken around Australia in the resource-recovery and recycling sector as well as an analysis of the associated administrative processes used by other providers.

It is intended that this research will provide ZWSA with an overview of the current status of waste-related grant and incentive programs offered within Australia and allow for ZWSA to assess how it compares with these programs.

2.3 Methodology

This desktop research was conducted using the following process:

1. A comprehensive list of waste-related grant and incentive programs was compiled through:
 - i. An internet search;
 - ii. Consulting 'The Australian Green Grants Guide'; and
 - iii. Consulting with other grant providers.
2. An investigation of grant evaluation programs conducted by other grant providers was primarily conducted through a desktop internet search of publicly available reports.
3. A comparative analysis of the compliance of other grant providers with the leading practice guidelines was conducted through reviewing all the relevant documents and forms available for each grant.

2.4 Limitations

Three broad limitations must be taken into account when considering the outcomes of this research. These are:

1. This report only elaborates on those grant/funding programs specifically related to the waste management sector. A listing of other programs that include waste management as one of a number of eligible activities has been included in this report.
2. Not all evaluation reports for grant programs are publicly available on the internet and therefore more evaluation programs may have been conducted than can be reported on in this report.
3. Information on the internal practices and operations of other grant providers, such as appraisal processes, was not able to be obtained due to privacy policies of these organisations.

3 FINDINGS - GRANT AND FINANCIAL INCENTIVE PROGRAMS IN THE WASTE SECTOR

The following chapter provides information on grant and financial incentive programs offered in the resource-recovery and recycling sector in Australia. This information has been sourced during a desktop internet search, through the Australian Green Grants Guide 2007 and in consultation with relevant government agencies.

The grants listed below in *Sections 3.1 to 3.9* are those offered specifically for waste management purposes. A summary table may be found in *Section 3.10* that provides an overview of these funding programs.

A number of grant programs exist that may provide funding for waste reduction and recycling activities as one of a number of eligible activities. These funding programs are listed in *Section 3.11*. The details of these programs have not been provided in this review. For more information, refer to 'The Australian Green Grants Guide 2007'.

3.1 Australia-Wide

a) *Butt Littering Trust Grants* (Butt Littering Trust)

Aim

The Butt Littering Trust is an environmental organisation that manages and allocates funds to support and establish projects that reduce cigarette butt littering across Australia. The Trust also conducts independent research and gathers information on butt littering to share with litter managers.

The Trust supports innovative programs which encourage smokers to take action to reduce butt littering for the benefit of the environment. Eligible applicants include: businesses, community groups, local councils, schools and research organisations.

Funding

The Trust offers grants between \$10,000 and \$20,000. To date, the Trust has provided \$978,057 in funding to project partners through four funding rounds. In addition to this, the Trust has provided \$116,279.85 to 13 Councils and directly expended \$213,890 on resources and promotion to deliver the 2005 and 2006 Butt Free City Week campaigns.

Applications

Funding opportunities are generally announced once per year. The Trust accepts 'Expressions of Interest' from grant applicants. To be notified of the funding rounds, it is necessary to register for the Trust's E-Bulletin, or be notified by e-mail by sending an email to the Trust.

No application information is provided on the Trust's website. Instead, this information is provided to you when you register with the Trust. This is as simple as sending an email to the Executive Officer.

b) *National Packaging Covenant Industry Funding* (National Packaging Covenant)

Aim

The Covenant is a voluntary agreement based on the principles of shared responsibility through product stewardship between industry and all spheres of government (Commonwealth, State, Territory and Local). The Covenant is designed to minimise the

environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials. Funding is aimed specifically at delivering the goals and targets of the National Packaging Covenant.

Funding

Covenant signatories are required to pay a scaled annual fee that is used to initiate projects of environmental benefit. These fees are matched by the Australian Government. The funds generated through this process are then used to assist industry undertake projects in order to meet the Covenant objectives. There are two funding rounds per year. The application process for each funding round operates over an eight-week period on average. There is no prescribed funding limit.

Applications

Applicants are required to participate in a two-stage application process. In the first instance, applicants are required to submit an 'Expression of Interest' form which outlines the basic project concept to ensure that it is consistent with the strategic priorities of the National Packaging Covenant and allows for an assessment of the eligibility of the applicant. Following the evaluation of these applications, successful applicants are notified that they must submit a full project proposal application.

The appraisal criteria for both stages of the approval process are provided below:

- i) *Stage 1: Expression of Interest*
 - Demonstrate that the project is consistent with the specific goals and targets of the Covenant
 - Demonstrate that matched funds will be available
 - Provide a description of the project (objectives, procedures, projected outcomes, deliverables and milestones)
 - Nominate an organisational responsible for project management
 - Be within the scope of the Covenant.
- ii) *Stage 2: Full Project Proposal Application*
 - Provide substantive review of related projects or research in Australia or overseas which demonstrates how the project will contribute
 - Have specific goals, objectives, milestones, methodology and procedures for reporting on these
 - Demonstrate understanding of specific outcomes of the proposal and relationship to goals
 - Have formalised approvals process
 - Address risk management inherent in projects
 - Accepted commercial risk management assessments (such as competitive market analysis), if necessary.

3.2 New South Wales

New South Wales has no specific grant or financial incentive programs specifically aimed at the waste sector.

3.3 Victoria

a) **Commercial & Industrial Waste Recovery Infrastructure Investment Grants**
(Sustainability Victoria)

Aim

The Commercial & Industrial Waste Recovery Infrastructure Investment Grant provides financial support to projects that enhance the recovery of waste from the commercial, industrial, construction and demolition sectors. The program contributes to meeting the goals set by Victoria's Zero Waste Strategy by assisting in the development of infrastructure, markets and systems to achieve the state-wide target of diverting 80 percent of commercial, industrial, construction and demolition waste by 2014.

Funding

Sustainability Victoria will provide grants up to 33 percent of capital costs to a maximum of \$500,000 for an individual project.

Applications

Applicants are selected on the following broad criteria:

- Priority and eligibility of project works to be undertaken;
- Quality of the application;
- Demonstration of advanced project planning;
- Anticipated recovery of materials;
- Investment level required; and
- Ability to source markets for the recovered resources.

Applications are assessed over an eight week period using the following method:

1. Applications are submitted and acknowledgement of receipt of application given;
2. A panel comprising an independent third party and Sustainability Victoria staff will assess applications against available budget and selection criteria;
3. Projects are short-listed and those selected are submitted to Sustainability Victoria Board for final review and recommendation;
4. Applications are referred to EPA Victoria and WorkSafe Victoria for comment;
5. Unsuccessful applicants are notified that they have been unsuccessful;
6. Short-listed applicants are advised they have proceeded to Stage 2;
7. Short listed applicants need to obtain required planning and building permits and work approvals;
8. Upon satisfactory submission of required permits to Sustainability Victoria, final funding is confirmed and a contract agreement established; and
9. Funding is announced by Victorian Government.

b) **Litter Prevention Grants** (Sustainability Victoria)

Aim

The Litter Prevention Grants drive best practice litter prevention activities across Victoria.

Funding

A maximum of \$20,000 is allocated for an individual project. Local and municipal councils receive not more than \$10,000. Funds of less than \$2,000 are not encouraged. In the 2005/2006 period, \$300,000 was allocated to 22 individual projects focused on community programs.

Applications

Applicants are assessed against the following criteria:

1. Explanation of the project in the context of existing regional and municipal management plans or strategies undertaken across Victoria;
2. Level of planning and research undertaken in understanding the litter problem and developing the project;
3. Scope of the project and how the target audience will be engaged in the project;
4. Demonstration of effective partnerships with key stakeholders engaged in the planning and delivery of the project;
5. Consistency of the message with existing campaign messages;
6. Application of an integrated approach to cigarette but litter reduction, incorporating education, infrastructure and enforcement;
7. Sound-evidence based methodology for monitoring and measuring the project outcomes;
8. Potential for building on current knowledge and act as a model for others to follow; and
9. Cost-effectiveness – assessment of total project cost and estimated benefits in achievement of litter reduction.

It is particularly emphasised that any project undertaken in the current funding round must:

- Utilise resources and communication tools developed for the current 2007 Victoria Cigarette Butt Litter Campaign; and
- Allocate 10 percent of funding to evaluating the project outcomes. Evaluation should be built into the project at the planning stage to ensure adequate benchmark data is obtained.

c) **Public Place Recycling Grants** (Sustainability Victoria)

Aim

The Public Place Recycling Grant aims to support recycling in public places managed by local government or state government planning agencies, which achieve more than 100,000 visitors annually.

Funding

As part of this grant program, Sustainability Victoria will fund:

- The implementation and extension of a range of projects where sites attract over 100, 000 visitors annually;
- Infrastructure, communications, evaluation and signage; and

-
- Projects which deliver best practice recycling and encourage investment in resource-recovery and efficiency.

Up to 50 percent of the total project cost is available including: infrastructure, communications and evaluation.

The 2005/06 grants will fund up to:

- \$20,000 for sites attracting visitors under 250,000 annually; or
- \$35,000 for sites attracting visitors in excess of 250,000.

Applications

The conditions of funding comprise the following:

1. Demonstration of an awareness of the Public Place Recycling Guidelines for implementing best practice;
2. Funds can be utilised for all or any parts of the project, such as infrastructure, communications or evaluation;
3. Plans must be implemented within 2 months of receiving approval;
4. Funding is provided on a one-off basis;
5. Projects should be consistent with regional and municipal waste management plans, and Towards Zero Waste Strategy; and
6. Priority is given to Waste Wise certified applicants.

The applicant is also required to include an analysis of the key performance indicators that will be used in the project to evaluate its effectiveness.

d) Municipal Waste Recovery Infrastructure Investment Grants (Sustainability Victoria)

Aim

The objective of this program is to support the goals of Victoria's Sustainability in Action: Towards Zero Waste Strategy by assisting in the provision of effective and accessible infrastructure so Victoria is well equipped to achieve the state-wide target of diverting 65 percent of municipal or household waste from landfill by 2014.

Funding

Sustainability Victoria will provide grants up to 50 percent of the total project costs for local government and up to 33 percent for private sector projects relating to municipal resource-recovery.

The level of funding granted to projects depends on: the priority and eligibility of project works to be undertaken, quality of the submission, demonstration of advanced project planning, the anticipated diversion of materials, and the need to ensure equity between all proponents. In addition, the project must be cost-effective (relating to the anticipated resource-recovery rates).

Applications

There is a two month period for submission of applications. Applications are assessed in two stages. Third-party evaluations form part of the process. Applications are assessed using the same procedure as outlined in *Section 3.3 (a)*.

3.4 Queensland

a) **ecoBiz** (Queensland Environmental Protection Authority (EPA))

Aim

EcoBiz is an EPA partnership program that helps Queensland businesses adopt resource-efficient practices that are environmentally and financially beneficial to the business.

Funding

The program involves rebates to support eco-efficient initiatives in addressing water, energy, and materials management.

Applications

Businesses register for the ecoBiz program via an application form that can be downloaded from the website. Applicants must audit their operations to establish a baseline assessment of resource consumption. This can then be referred to during the required evaluation stages.

3.5 Northern Territory

The Northern Territory does not offer any funding programs that are specific to the waste sector.

3.6 Australian Capital Territory

The Australian Capital Territory does not offer any funding programs that are specific to the waste sector.

3.7 Western Australia

a) **Litter Prevention Grants** (Keep Australia Beautiful)

Aim

The Keep Australia Beautiful WA's Litter Prevention Grant provides financial support and guidance to individuals, communities and organisations for the implementation of projects which make lasting changes to reduce litter and change littering behaviour.

The grant program encourages integrated litter prevention and incorporates education, infrastructure, and enforcement as key elements. It must also be consistent with the Keep Australia Beautiful Council's Litter Prevention Strategy for Western Australia.

Funding

The Keep Australia Beautiful Council provides grants up to \$10,000 for regional projects and major initiatives, and will provide up to \$5,000 for single municipal projects or local area projects. Financial and/or in-kind contribution from project partners is expected.

Projects will be given priority if they:

- Make lasting changes to reduce litter and change litter behaviour;
- Include the following sites: roadsides, car parks, sporting and recreation venues, shopping and commercial precincts, and waterways;

-
- Address specific issues such as: illegal dumping, cigarette butts, beverage containers; and
 - Are trial projects intended to help develop a model for future projects.

Applications

Applications are assessed against the following criteria:

1. Research and understanding of the litter problem;
2. Project scope ;
3. Partnerships;
4. Integration;
5. Evaluation;
6. Innovation; and
7. Cost-effectiveness.

It is worthy to note that the selection criteria are the same as Sustainability Victoria.

b) Strategic Waste Initiatives Scheme (Zero Waste WA)

Aim

The Strategic Waste Initiatives Scheme is a broad financial support scheme that also provides assistance other than in a monetary capacity.

Funding

Zero Waste WA offers funding equal to or over \$50,000 per project.

Applications

The Zero Waste WA Board does not advertise for detailed applications but calls for interested persons to submit an EOI in which applicants put forward their ideas and the extent of support required. From these EOIs, the Board then selects a number of projects that fit with the program objectives and invite the applicant to submit a detailed application.

Calls are made twice a year. A smaller number of receiving periods reduces the amount of time the staff spends on assessing proposals.

Once the applications have been received, a Working Group of Departmental officers and Board members assess the projects. Following this, the recommendations are submitted to the full Board for consideration. The same group of persons is used for all applications, to ensure consistency. For some cases, an independent expert can be used to assess projects. This is limited to the second assessment stage and only for those projects considered by the working group to warrant independent expert advice.

Applications are assessed against the following criteria:

1. Strategic Direction - does the project address the focus areas, success areas of prevention, recovery and disposal, sustainability and other factors such as measurability and certainty?
2. Governance - Does the application address issues such as legality, accountability, assessment of costs, competition issues, viability, timing, insurance cover and eligibility?
3. Assessment of merits - Subjective analysis of the project based on the assessment of its merits.

c) **Community Grants Scheme (Zero Waste WA)**

Aim

The objective of the Community Grants Scheme is to support local, community-scale projects that improve waste management in Western Australia. Funding is provided for successful local-community scale projects which are consistent with the Waste Management Board's Statement of Strategic Direction for Waste Management in Western Australia.

Funding

Funds of up to \$10,000 are offered in this scheme. The grant will not exceed 50 percent of the total cost of the project.

Applications

Applicants must submit a brief description of the proposed project, including:

- Its location
- Level of community involvement
- Perceived benefits of the project
- Likely cost and contribution from other sources

3.8 Tasmania

Tasmania does not offer any grant or financial incentive programs specifically related to the waste sector.

3.9 South Australia

a) ***Kerbside Performance Incentives (Zero Waste SA)***

Aim

The Kerbside Performance Incentives scheme encourages councils and the community to move progressively towards the Waste Strategy target of diverting 50 percent of kerbside material from landfill by 2008. Ultimately, the program aims to encourage the adoption of high-performance waste management services across South Australian council.

Funding

Metropolitan and country councils can apply for funding under the incentives scheme on a 'per serviced tenement' basis. The financial incentives received are proportional to the performance level achieved by waste reduction and recycling services provided by the council as well as a range of additional performance criteria, including the development and implementation of a waste service and reduction education program. Councils that receive large incentive payments must conduct a kerbside waste and recycling audit at the completion of the program as part of the overall reporting requirements.

Applications

Councils can apply for funding via a short application document that can be downloaded from the Zero Waste SA website. Each council must provide information on its existing waste services and its intention to contribute to waste education within the community during the contract period.

Councils are encouraged to discuss their applications with Zero Waste SA prior to submitting their application. In addition, Zero Waste SA offers a training and support program for councils to provide assistance in conducting kerbside waste and recycling

audits as well as site visits to audits to provide additional guidance and support as needed.

b) **Re-use and Recycling Infrastructure Grant (Zero Waste SA)**

Aim

The Re-use and Recycling Infrastructure Grant aims to provide financial support to resource-recovery and recycling industries to enhance the recovery of target waste materials through the establishment or upgrade of infrastructure within South Australia.

Funding

Funding applications up to \$250,000 (excluding GST) are acceptable through this program. The grant contribution must be not more than 50 percent of the total project costs (excluding in-kind contributions).

Applications

Applications are assessed over a seven-week period using the following method:

1. All applicants notified within two weeks of the submission data to confirm receipt of proposals
2. Initial screening by Zero Waste SA staff to determine eligibility
3. Successful applications are screened by the Grants Assessment Committee against appraisal criteria
4. Grants Assessment Committee provides advice to Chief Executive of Zero Waste SA regarding its assessment
5. Some applicants may be required to submit additional information
6. Projects may be referred to Environment Protection Authority for comment
7. Chief Executive will forward outcomes of assessment processes to Zero Waste Board for its consideration
8. Applicants are informed of their progress throughout the assessment period
9. Zero Waste SA will establish funding agreements with successful applicants
10. All required approvals should be provided within 12 months of the initial notification of the success of the application.

Applications are assessed against the following appraisal criteria:

- Provides a significant contribution to South Australia's Waste Strategy and the Zero Waste SA Business Plan
- Demonstrates financial viability of the company
- Demonstrates financial sustainability of the project
- Demonstrates cost-effectiveness based on total project costs and expected outcomes
- Has support from other funding sources
- Demonstrates effectiveness at communicating and educating the community
- Demonstrates that the proponent has sufficient project management experience and the ability to deliver outcomes within the intended timeframe for completion.

c) **Regional Infrastructure Grant** (Zero Waste SA)

Aim

The Regional Infrastructure Grant program provides financial support to enhance the recovery of materials from the municipal or household sector in regional areas through the establishment or upgrade of resource recovery and waste transfer facilities throughout rural South Australia.

Funding

Funding applications up to \$150,000 (excluding GST) are accepted. The grant contribution must be not more than 50 percent of the total project costs (excluding in-kind contributions).

Applications

Applications are assessed using the same method and against the same appraisal criteria as outlined in *Section 3.9(c)*.

d) **Research and Market Development Grants** (Zero Waste SA)

Aim

The Research Development Grant was developed to provide financial assistance to projects that identify waste avoidance alternatives to problematic wastes and/or overcomes barriers to reuse and recycling of the target waste streams.

The Market Development Grant has been developed to provide financial assistance to projects that increase the size, diversity, and security of markets for recyclable materials.

Funding

Funding applications up to \$150,000 (excluding GST) are accepted. The grant contribution must be not more than 50 percent of the total project costs (excluding in-kind contributions).

Applications

In addition to the appraisal criteria outlined in *Section 3.9(c)*:

- Research and Development Grant applicants are required to demonstrate:
 - That the project will provide additional benefits (e.g. employment) to South Australia
 - The technical strength of the project
 - That the project will be effective at leading to avoidance/reuse/recycling of the target waste streams
- Market Development Grant applicants are required to demonstrate:
 - That the project will provide additional benefits (e.g. employment) to South Australia
 - The technical strength of the project
 - That the project will deliver sustainable markets over the medium to long term.

Applications are assessed against the same method as outlined in *Section 3.9(c)*.

3.10 Other Waste-Related Grant and Incentive Programs

The following is a list of Australian grant and incentive programs that offer waste-related activities as one of a number of eligible activities under the funding program. This listing has been obtained as a result of a review of 'The Australian Green Grants Guide'.

Table 1 Additional Grant and Incentive Programs

Australia-Wide	
BHP Billiton Corporate Community Program	CERF Environment Research Funding
Commonwealth Bank of Australia Grants	Community Grants
Community Help Grants Program	EMA Research & Innovation Program
Environmental Education Grants Program	Environmental Grants (Canon Australia)
EMS Incentives Program	Grants to Voluntary Environmental and Heritage Organisations Program
Healthy Soils for Sustainable Farming Programme	Local Environment Fund of Australia
Macquarie Bank Foundation	Mitre 10 Junior Landcare Grants
Monsanto Fund	Natural Resource Innovation Grants
NLP Natural Resource Innovation Grant	Pathways to Industry EMS
Project AWARE Foundation Grant Program	Sidney Myer Fund
Small Grants for Small Rural Communities	Sunshine Foundation Grants
Myer Foundation 60	Volunteer Small Equipment Grants
Westpac Operation Backyard	
New South Wales	
Baxter Charitable Trust	Community Environment Support Program
Community Grants Scheme	Community Partnership Fund
Eco Schools Grants	Ecological Research Project
Environmental Education Program	Environmental Education Small Grants
Environmental Grants Program	Environmental Research Program
Community Grants Program	IMB Community Foundation
NRAC Forging Partnerships Program	Urban Sustainability Major Projects Grant

Urban Sustainability Seed Funding Grants	Enviro-Grant for Schools
Victoria	
Alan (AGL) Shaw Trust	Community Development Grant Program
Community Grants for Environmental Projects	Community Grants Partnerships Program
Conservation Initiative Grants Program	Environment Grants
Grow Your Business	Sir Andrew and Lady Fairley Foundation
Sustainable Environment Grants	Feilman Foundation
Queensland	
Community and Environment Grants Scheme	Community Environmental Association Grants Program
Community Grants	Community Natural Resource Awareness Activity Grants
Environment Levy Grants	Environmental Grants Program
Gambling Community Benefit Fund	Grants for Culture, Community and Sports
Logan Environmental Action Grants	QLD Country Credit Union Community Grants Scheme
Northern Territory	
Community Grants	Community Grants Program
Australian Capital Territory	
ACT Environment Grants	
Western Australia	
Community Development Funding	Sustainable Development Fund
Feilman Foundation	
Tasmania	
Community Grants	General Grants Program
South Australia	
Community Grants	Community Grants
Environment Grants	Environmental Grants Program

3.11 Summary of Grant and Incentive Programs in the Waste Sector

The following table provides a summary of the grant and financial incentive programs discussed in *Section 3.1* to *Section 3.10* that are specific to the waste management sector.

Table 2 Grant details for other grant and financial incentive programs in the waste recovery and reduction sector

Grant	Grant Provider	Funding Limit	Targeted Waste Stream	Application Process	No. Rounds p.a	Eligible Applicants
<i>Butt Littering Trust Grants</i>	Butt Littering Trust	\$10,000 to \$20,000	Municipal Solid Waste	Register interest with organisation and then submit EOI form before providing a detailed application	1	Businesses, Local Councils, Government organisations, Community Groups and Local Associations
<i>National Packaging Covenant Industry Funding</i>	National Packaging Covenant Industry	Unprescribed	All	Applicants must submit a brief application in first instance that describes the project in general. Short-listed applicants will then be required to discuss in greater detail.	2	Covenant signatories, Covenant council, individual companies, local government, stakeholders, Jurisdictional Project Groups and National Project Groups.
<i>Commercial & Industrial Waste Recovery Infrastructure Grant</i>	Sustainability Victoria	\$500,000 per project	Commercial, Industrial, Construction and Demolition	Detailed applications submitted in first instance – two review stages before approval	1	Businesses/Industry Groups, Local Councils,
<i>Litter Prevention Grants</i>		\$10,000 to \$20,000 per project	Commercial and Municipal Solid Waste		1	Businesses, Local Councils, Community Groups and Local Associations
<i>Public Place Recycling Grants</i>		\$20, 000 to \$35,000 per project	Municipal Solid Waste with some Commercial Waste		1	Local Government, State Government agencies with community infrastructure and planning responsibility
<i>Municipal Waste Recovery Infrastructure Investment Grant</i>		Dependent on amount of waste diverted	Municipal Solid Waste		1	Local Councils, Waste Organisations

Grant	Grant Provider	Funding Limit	Targeted Waste Stream	Application Process	No. Rounds p.a	Eligible Applicants
<i>ecoBiz</i>	Queensland Government EPA	N/A	Commercial and Industrial Solid Waste	Apply at any time of the year. A baseline audit is required to determine steps to eco-efficiency, with an evaluation process programmed into the plan	N/A	Business/Industry Groups
<i>Litter Prevention Grant</i>	Keep Australia Beautiful WA	\$5,000 to \$10,000	Commercial, Industrial and Municipal Solid Waste	Detailed application form. Application process takes 8 months	1	Local Councils, Small to medium businesses, Local associations, community groups, individuals and schools
<i>Strategic Waste Initiatives Scheme</i>	Zero Waste WA	\$50,000 plus	All	Applicants must submit a brief application in first instance that describes project in general. Short-listed applicants will then be required to discuss in greater detail.	2	Individuals, Business/Industry groups, Research Institutions
<i>Community Grants Scheme</i>		\$10,000	Municipal Solid Waste		2	Community based groups and Individuals
<i>Kerbside Performance Incentive Grants</i>	Zero Waste SA	Incentive provided on a 'per serviced tenement' basis	Municipal Solid Waste	Detailed application form	1	Metropolitan and regional local councils
<i>Research and Market Development Grants</i>		\$150,000	All		2	Business/Industry groups, Research institutions and Local Councils
<i>Regional Infrastructure Grants</i>		\$150,000	Commercial and Industrial/ Municipal Solid Waste		2	Local Councils
<i>Re-use and Recycling Infrastructure Grants</i>		\$250,000 per project	Commercial and Industrial Waste/Construction/ Demolition		2	Business/Industry Groups

4 FINDINGS - PROGRAM EVALUATION

This research has shown that few grant providers are conducting extensive evaluation/review of the effectiveness of their grant programs in meeting program objectives. According to the Australian National Audit Office Best Practice Guide for the Administration of Grants, periodic evaluations are necessary to establish:

- If the program is achieving the intended outcome;
- Whether the grant benefits are in substitution for other benefits; and
- The quality of benefits provided;
- Whether the same outcome, or better, could have been established more cost effectively; and
- Whether you need to make necessary adjustments to the operation of the program.

A monitoring and evaluation plan should be incorporated into the initial planning stage for the grant program. This includes the development of appropriate key performance indicators and effective monitoring strategies.

Current Grant Evaluations

Only one example of a grant evaluation was available as a result of this search. It must be noted, however, that some grant evaluations may not be publicly available on an organisation's website and therefore this may not be a complete record of all grant evaluation programs conducted.

In 2002, Zero Waste WA undertook a review of the effectiveness of the Resource Recovery Rebate Scheme. The outcomes of the review were that:

1. The current scheme does not reward waste prevention activities;
2. There is no evidence to suggest that the provision of the rebates encourages recycling;
3. There is no requirement for funds to be spent in specific area;
4. There is no assessment of the success of the rebates;
5. Allocation of funds is not consistent with the program objectives (Statement of Strategic Direction for Waste Management in Western Australia: Vision and Priorities); and
6. A disproportionately high percentage of funds were being allocated to local government which did not ensure sufficient funds to support projects across all the Program areas.

As a result of this review, it was concluded that the grant program would be phased out in the time leading up to mid-2006 and a new grant program would be generated in its place that had a broader emphasis. It was agreed that the current scheme was ineffective in driving the change that was required in the waste management industry to reach zero waste to landfill by 2020. The replacement scheme will be a performance-based resource recovery incentive scheme that is open to local government and industry and will support a more diverse range of projects.

5 FINDINGS - APPLICATION GUIDELINES

5.1 Best Practice Guidelines

The following guidelines have been sourced from the Australian National Audit Office Administration of Grants: Better Practice Guide (2002).

The primary criterion for the appraisal of applications is that the grant should add value to achieving something that would not occur without the grant assistance. In addition, the appraisal staff should be familiar with the objectives of the program to ensure that the grant programs are helping to meet these needs.

The selection process can be divided into three main steps:

1. Handling applications
2. Appraising applications
3. Grant announcements

Each of these steps will be elaborated upon below.

5.1.1 Handling Applications

It is important to generate a high level of interest from potential applicants by using appropriate and effective promotional strategies to increase general, business and community awareness about the grant you are offering. This can occur through: print advertising; editorials; workshops; public launches; or even the Internet. Encouraging the maximum amount of eligible applicants will increase the amount of potentially promising projects

The second key step in this stage is to ensure that the promotional materials contains helpful guidance notes and provides all necessary material in a logical fashion. This will limit the amount of grant applications from non-eligible applicants.

Information that should be included in guidance notes include:

- Statement of project objectives;
- Information required by the provider to assess the application;
- Appraisal criteria and their relative importance; and
- Information about the approval process, including
 - Closing date
 - Outline of the selection process
 - Requirements for providing appropriate performance information
 - Description of appeal and/or Freedom of Information mechanisms
 - Acquittal requirements to make recipients aware of their accountability.

Information that should be included in the application form include:

- Organisational credentials;
- Project/service details (including purpose, target groups, expected benefits, proposed performance measurement etc); and

- Project/service financial details (previous funding sought, other sources of funding etc).

Record keeping is essential for helping organisations to meet their accountability obligations and to ensure better inform decision making. For instance, extracting and transferring information electronically allows for greater efficiency in responding to queries. Agencies can also identify previous and current grant recipients which avoids risks such as 'double dipping'.

Effective on-line security of government information systems is also critical to maintaining client confidence in the on-line services and protects the integrity of these information systems.

Table 3.0 provides a broad analysis of the compatibility of other grant providers against the best practice guidelines outlined in this section.

5.1.2 Appraising Applications

The following information provides an overview of the key questions that must be asked of the appraisal process:

1. Do appraisal criteria target the available resources to priority areas?

The quality of the appraisal process is a function of the times and resources that are available to carry it out. A good appraisal process should select those projects that represent best value for money in the contexts of the objectives and outcomes of the grant program. Therefore, the first step is to assess whether the proposals are consistent with the overall objectives of the program and satisfy the main appraisal criteria.

2. Do the selection procedures reflect the risk analysis?

Effective risk analysis avoids the risk of wasting funds which can arise where too much money is given or the identified need is met by another process and the program remains incomplete.

3. Does appraisal consider whether projects could proceed without funding?

Grant providers should be satisfied that projects would not proceed without the necessary funding assistance.

4. Is there scope for alternative forms of support?

In some instances, forms of support other than provision of grants may be more suitable. This includes provision of expert advice or even a loan.

5. Do appraisal procedures ensure that successful applicants meet the stated objectives of the program?

All applications should be consistently checked against the criteria established during the pre-planning stage. Applications should only be assessed against this criteria. Assessment of applications by an independent will ensure consistent assessment against the criteria. Extensive documentation should be filed for quality assurance purposes.

6. Do appraisal procedures include a quality assurance phase?

Agencies should consider methods for assuring the quality of the appraisal process by selecting a random sample of appraisal documents and review them for consistency, completeness and accuracy.

7. Do appraisal procedures provide for timeliness of appraisal?

Timely appraisal avoids waste and inequities that arise from assessing applications in batches, using up funds and administrative burden.

8. Is there clear separation of duties between appraisal of applications and approval of offers?

Responsibility should be divided between two separate divisions to avoid risk of collusion or fraud.

5.1.3 Grant Announcements

It is preferable for announcements for successful and unsuccessful projects to be announced together or within a short period of time.

Ensuring that the proper documentation is held during the appraisal process will ensure transparency. The reasons for each decision should be made publicly available. This ensures greater public confidence in the selection process.

5.2 Application of Guidelines to Grant and Financial Incentive Programs

The following table provides a broad analysis of how grant providers in the waste sector comply with the Best Practice Guidelines for Application Processes as described above. This table should be used as a guideline only. The analysis has primarily been conducted using information that is provided on the website and in the application forms that can be downloaded from these sites. It is not a scaled quantitative assessment.

In addition, this analysis has only been conducted for the provision of Application Guidelines and Forms by grant providers as outlined in *Section 5.1.1*. This is because most grant providers were unwilling to impart information on internal appraisal processes that are described in *Section 5.1.2* and *Section 5.1.3* above.

This analysis includes the grant and incentive programs offered by Zero Waste SA. However, given the broad nature of this assessment further investigation into the administration of its funding programs will be conducted in Stage 2 as per the tender document.

Please note the following two considerations for *Table 3.0*:

1. ecoBiz (grant number 7) and the Kerbside Incentives Program (grant number 11) are both financial incentive programs and as such the application process is different to the other grant programs and cannot be directly compared. As a result, these programs have not been included in this report;
2. The analysis of The National Packaging Covenant Industry Funding scheme (grant number 2) has been conducted using the 'Expression of Interest Form'; and
3. The analysis of The Strategic Waste Incentives Scheme (grant number 9) has been conducted using the 'Expression of Interest Form' as the Application Form required for short-listed applicants could not be obtained for this exercise.

Table 3 Compatibility of other grant providers against Best Practice Guidelines for handling applications

Guideline	1	2	3	4	5	6	7	8	9	10	11	12	13	14	TOTAL (/12)
Helpful guidance notes that include (or provide reference to):															
• Statement of program objectives	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	12
• Information required for assessment	✓		✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	11
• Appraisal criteria	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	12
• Closing date	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	12
• Outline of selection process		✓	✓			✓	N/A		✓		N/A	✓	✓	✓	7
• Performance information				✓			N/A	✓	✓		N/A	✓	✓	✓	6
• Freedom of information mechanisms	✓						N/A		✓		N/A	✓	✓	✓	5
• Acquittal requirements	✓				✓		N/A	✓	✓		N/A	✓	✓	✓	7
Design of application form should include:															
• Organisational credentials	✓		✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	11
• Project/service details															
○ Purpose	✓		✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	11
○ Demand/target groups	✓	✓	✓	✓	✓	✓	N/A	✓			N/A	✓	✓	✓	10
○ Rationale	✓					✓	N/A	✓		✓	N/A			✓	5

Guideline	1	2	3	4	5	6	7	8	9	10	11	12	13	14	TOTAL (/12)
○ Relationship to program objectives	✓	✓		✓		✓	N/A				N/A	✓	✓	✓	7
○ Milestones	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	12
○ Expected benefits	✓	✓	✓	✓		✓	N/A	✓	✓	✓	N/A	✓	✓	✓	11
○ Performance measurement	✓		✓	✓	✓		N/A	✓	✓	✓	N/A	✓	✓		9
○ Evaluation and reporting	✓			✓	✓	✓	N/A	✓	✓	✓	N/A				7
○ Consultation arrangements							N/A				N/A				0
• Project/service financial details	✓	✓	✓		✓	✓	N/A	✓	✓	✓	N/A	✓	✓	✓	8
TOTAL (/19)	16	9	12	13	12	14	N/A	15	15	12	N/A	16	16	16	

- 1: Butt Littering Trust Grant (*Butt Littering Trust*)
- 2: National Packaging Covenant Industry Funding (National Packaging Covenant signatories)
- 3: Commercial and Industrial Waste Recovery Infrastructure Grant (*Sustainability Victoria*)
- 4: Litter Prevention Grant (*Sustainability Victoria*)
- 5: Public Place Recycling Grant (*Sustainability Victoria*)
- 6: Municipal Waste Recovery Infrastructure Investment Grant (*Sustainability Victoria*)

- 7: ecoBiz (*Qld Environment Protection Authority*)
- 8: Litter Prevention Grant (*Keep Australia Beautiful, WA*)
- 9: Strategic Waste Initiatives Scheme (*Zero Waste WA*)
- 10: Community Grants Scheme (*Zero Waste WA*)
- 11: Kerbside Performance Incentives (*Zero Waste SA*)
- 12: Reuse and Recycling Infrastructure Grant (*Zero Waste SA*)
- 13: Regional Infrastructure Grant (*Zero Waste SA*)
- 14: Research and Market Development Grant (*Zero Waste SA*)

6 CONCLUSIONS

6.1 Other Grant and Financial Incentive Schemes

This research has shown that ten grants are currently offered specifically within the waste management sector, including one financial incentive program. This does not include the four grant and incentive programs offered by ZWSA.

Out of the ten grants on offer, four were offered within Victoria, and another three in Western Australia. These states comprised that largest number of programs in the waste sector. Two grants were offered Australia-wide and one financial incentive program was offered from a government department in Queensland. Overall, only two of the ten grants were offered from a non-Government organisation. New South Wales, Australian Capital Territory, Northern Territory and Tasmania do not appear to offer any grants related specifically to the waste reduction sector.

It should be noted that a further 75 grant and incentive programs were found that had a waste management component in them. In other words, these programs covered a range of environmental themes that included 'waste management'. They were provided by all levels of government (including all state governments) and non-government organisations, including business charities and other philanthropic entities such as trusts.

Of these 75 grants: 26 programs are offered Australia-wide, 16 are offered in New South Wales, and ten are offered in both Victoria and Queensland. The remaining 13 grants are distributed amongst the remaining states and territories.

It was calculated that 42 percent and 24 percent of the 75 additional grant programs were offered by local councils and government agencies respectively. Businesses and philanthropic organisations both contribute 16 percent of these programs. Catchment Management Authorities constitute only two percent. This demonstrates that a significant percentage of grant programs are offered by Government (local, state and federal).

Out of the ten grant/incentive programs, seven are specifically, or some component of which is, targeted at Municipal Solid Waste. Generally, this was litter prevention and cigarette butt prevention. Construction and demolition waste only formed a component of three of the nine grants.

Excluding the incentive scheme offered by Queensland Government, five of the nine grants required a detailed application form in the first instance that addressed all the required selection criteria. The four remaining grants required either an 'Expression of Interest Form' or a brief description of the project, whereby upon approval, a more detailed application would be required. Most of the organisations had stated that this saves both the applicant and the reviewer time and money in preparing and assessing detailed project applications respectively. In addition, it ensures that time is spent on only those projects that are likely to be in-line with the program objectives.

Most grant programs had between one and two funding rounds per year. Again, limiting the number of advertised calls relieves the administrative and financial burden of constantly assessing project applications. The Queensland grant requires a prospective applicant to register with the organisation to even become aware that a funding round was open for applications.

The grants were primarily aimed at local councils and business/industry organisations, reinforcing the idea that municipal and commercial waste is the focus of the grants on offer as stated above. It can be assumed that a large proportion of funds are being expended in managing this waste stream.

6.2 Evaluation and Performance Reporting

A desktop internet search revealed that Zero Waste WA was the only waste grant provider to have conducted a grant evaluation/review, or has made the review publicly available on its website.

This review was conducted to address:

- If the program is achieving the intended outcome
- Whether the same outcome or better could have been achieved in a more cost-effective manner
- Whether any changes need to be made to the program.

At the end of the evaluation period, it was concluded that the program was in-effective in driving the change that was required in the waste management industry to reach the zero waste targets. As such, the program was revoked in 2006 and a new performance-based incentive scheme is to open in its place to support a more diverse range of projects across local government and business/industry groups.

Evaluation and performance reporting is a vital component of a successful grant program, given that it allows the provider to establish how effective its grants are in achieving the intended program objectives and if it is achieving something that could not have been achieved without the financial assistance. Periodic evaluations of grant programs should be conducted and the outcomes of which, fed into the planning of the grant program to ensure a continual update and renewal in order to effectively meet its stated objectives.

The apparent lack of evaluation programs reiterates the idea presented in an article in 'The Australian' that only one quarter of the government agencies providing funds for grant and incentive programs conduct evaluation programs to ascertain the effectiveness of these programs. The research conducted for this report has found this argument justified and highlights the need for agencies to utilise effective performance indicators and evaluation strategies to ensure funds are expended efficiently and effectively.

6.3 Application and Assessment Processes

This research was conducted to provide for a general overview of how other grant providers compared to the best practice guidelines as stated by the Australian National Audit Office in the *Administration of Grants: Best Practice Guidelines* (2002) handbook.

It appears that most of the ten non-SA programs comply well with administrative practices promoted by the Australian Government. Specifically, this research found that the Butt Littering Trust Fund (Butt Littering Trust), Strategic Waste Incentives Scheme (Zero Waste WA) and Litter Prevention Grant (Keep Australia Beautiful, WA) were the most compatible overall with the guidelines in terms of the provision of adequate and useful information in the Application Guidelines and associated Application Form.

7 REFERENCES

Molino Stewart Pty Ltd, 2007, '*The Australian Green Grants Guide 2007*'. Molino Stewart Pty Ltd, Parramatta.

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Websites:

<http://www.buttlitteringtrust.org/>

<http://www.sustainability.vic.gov.au>

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www.zerowastewa.com.au

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http://www.epa.qld.gov.au/environmental_management/sustainability/industry/ecobiz_queensland/

Appendix B
Interview Questions

ZERO WASTE SA - REVIEW OF INCENTIVE PROGRAMS TELEPHONE INTERVIEW QUESTIONS – ASSESSMENT PANEL

Use the following to introduce yourself.

“Good morning/afternoon. My name is and I am reviewing aspects of the Zero Waste SA incentives program assessment processes. Would you mind answering some questions to help us in the review - the interview will only take about 15 to 30 minutes of your time.”

1. What incentive program are you involved in assessing?.....
(choice of Reuse and Recycling Infrastructure Program/Kerbside Performance Incentives/Regional Infrastructure Grants/Research and Market Development Grant Program)
2. How was the incentive program promoted to potential applicants?
3. How were potential applicants assisted with application information such as eligibility and selection criteria?
4. How long did the applicants have to complete their application?weeks
5. In assessing the applications, do you feel that the selection criteria were used as the main reference for selection? YES/NO
(Reasons)
6. What measures were used to ensure that the applications were assessed consistently and fairly?
7. Were reasons for selection and non-selection documented? YES/NO *(If so, in what way?)*
8. How would you rate the transparency of the program assessment and selection process?
 - a. Not transparent
 - b. Transparent.....*(Any comments)*
9. How would you rate the equity of the process?
 - a. Not equitable
 - b. Equitable.....*(Any comments)*
10. How would you rate the effectiveness of the program assessment and selection process?
 - a. Not effective
 - b. Not very effective.....
 - c. Effective.....
 - d. Very effective.....
 - e. Extremely effective.....*(Any comments)*

**11. Are there any improvements that you would suggest for the assessment and selection process?
(list)**

**12. Were the program guidelines and selection criteria clear and devoid of misunderstanding? YES/NO
(If no, in what way and how could they be improved?)**

13. How would you rate the effectiveness of the program generally?

- a. Not effective.....
- b. Not very effective.....
- c. Effective.....
- d. Very effective.....
- e. Extremely effective.....

(Any comments)

14. Any further comments about the program

“Thank you for your time.”

Appendix C

**Spreadsheets used to calculate tonnages and
diversion rates**

KERBSIDE INCENTIVES PROGRAM YIELD DATA : Round 1

COUNCIL	ZWSA grant amount	REPORTED No. serviced tenements	DRY RECYCLABLES			RESIDUAL		GREEN WASTE			WASTE DIVERTED	Annual waste diverted	Years since completion	Total
			Performance Criteria - Dry Recyclables (per week)	Yield per tenement per week	Annual yield (tonnes)	Yield per tenement per week	Annual yield (tonnes)	Performance Criteria - Bin Collection provided	REPORTED Yield per tenement per week	Annual yield (tonnes)	DIVERSION %			
KP 1	\$ 36,680.00	18,605	3	5.020	4856.6	7.909	7651.64	Y	2.310	2234.8	48.10	7091.5	2	14182.964
KP 2	\$ 155,096.00	21,715	3	4.270	4821.6	8.920	10072.29	Y	4.862	5490.2	50.59	10311.7	1	10311.749
KP 3	\$ 376,648.00	41,956	3	4.765	10395.9	10.380	22646.17	Y	6.780	14792.0	52.66	25187.9	1	25187.865
KP 4	\$ 243,000.00	25,532	3	5.430	7209.2	7.890	10475.27	Y	5.520	7328.7	58.12	14537.9	1	14537.921
KP 5	\$ 47,512.00	18,464	3	5.950	5712.8	8.060	7738.63	Y	3.968	3809.6	55.17	9522.4	2	19044.723
KP 6	\$ 420,000.00	63,103	3	4.680	15356.7	11.630	38162.17	N	0.000	0.0	28.69	15356.7	1	15356.746
KP 7	\$ 45,971.00	28,364	3	4.230	6238.9	10.020	14778.78	Y	8.845	1240.0	33.60	7478.9	1.75	13088.151
KP 8	\$ 251,524.00	46,749	3	4.180	10161.4	10.180	24747.05	Y	5.175	12580.2	47.89	22741.5	1	22741.519
KP 9	\$ 159,535.00	49,573	3	4.420	11393.9	10.390	26783.30	Y	8.535	9385.9	43.69	20779.8	1.75	36364.586
KP 10	\$ 109,600.00	35,222	3	4.956	9078.0	10.080	18461.96	Y	3.398	6222.7	45.32	15300.7	1	15300.671
KP 11	\$ 54,735.00	18,549	3	4.490	4330.8	9.220	8893.13	Y	4.310	4157.5	48.84	8488.3	2	16976.601
KP 12	\$ 13,500.00	1,685	1.5	3.138	274.9	5.695	499.00	N	0.000	0.0	35.52	274.9	2	549.8155
KP 13	\$ 22,990.00	3,000	1.5	4.250	663.0	13.900	2168.40	N	0.000	0.0	23.42	663.0	1.5	994.5
KP 14	\$ 16,621.00	1,575	1.5	2.590	212.1	invalid data	invalid data	N	0.000	0.0	invalid data	212.1	1.67	354.24207
KP 20	\$ 24,618.00	no data	1.5	no data	no data	no data	no data	N	no data	no data	no data	0.0	0	0
KP 15	\$ 2,964.00	3,350	1.5	2.550	444.2	16.770	2921.33	N	0.000	0.0	13.20	444.2	2	888.42
KP 16	\$ 75,411.00	8,900	1.5	2.400	1110.7	7.130	3299.76	N	0.000	0.0	25.18	1110.7	1	1110.72
KP 17	\$ 110,677.00	10,760	1.5	3.900	2182.1	9.790	5477.70	Y	8.010	4481.8	54.88	6663.9	1	6663.8832
KP 18	\$ 660.00	733	1.5	4.403	167.8	11.740	447.48	N	0.000	0.0	27.27	167.8	2	335.61138
KP 19	\$ 16,010.00	8,518	3	4.320	1913.5	9.490	4203.46	Y	7.795	975.7	40.73	2889.1	1.75	5055.9896
	\$2,183,752.00	397,835			96,524.19		209,427.53			72,698.91	44.69	169223.1		219046.68
Total Diverted											169,223.11	tonnes		

Summary of Performance Reports (Completed Projects)

Regional Infrastructure Grants

Recipient	Annual tonnes recovered/recycled																				Total annual tonnes	Waste to landfill (tonnes)	Average estimated diversion rate (%)	Data Reporting Period	Overall reporting period (years)	Total waste diverted overall (tonnes)		
	Paper	Cardboard	Glass	Plastic	Al	Steel	All metal	Concrete	Brick	Rubble	Timber	Scrap Metals	Green Organics	Other Organics	Tyres	CDL	CDL Glass	CDL Plastic	Al CDL	Steel CDL							Any other material	
RIG 1													100									100	0	100	Apr-06	1	100.00	
RIG 2		77.35																				77.35	0	100	Sept05 - Sept 06	1.25	96.69	
RIG 3		240					500						1200			73.1					22.3	2035.4	1371.6	59.74	June 04 - July 05	2	4070.80	
RIG 4	265	1218	518	224		80.5						9.5										2315	N/A	N/A**	Jul 05 - May 06	1.42	3287.30	
Sub-Total	265	1535.35	518	224	0	80.5	500	0	0	0	0	9.5	1300	0	0	73.1	0	0	0	0	22.3	4527.75	N/A	N/A**	N/A	N/A	7554.79	
Summary of Performance Reports (Interim Projects)																												
RIG 5													4150										4150	No data	N/A	per annum	1	4150
RIG 6	60																						60	No data	N/A	2006-07	1	60
Sub-Total	60	0	0	0	0	0	0	0	0	0	0	0	4150	0	0	0	0	0	0	0	0	4210	N/A	N/A	N/A	N/A	4210	
TOTAL	325	1,535	518	224	0	81	500	0	0	0	0	10	5,450	0	0	73	0	0	0	0	22	8,738	N/A	N/A	N/A	N/A	11764.7875	

Summary of Performance Reports (Completed Projects)

Re-use and Recycling Infrastructure Grants

Recipient	ZWSA Grant Amount	Tonnes recovered/recycled in reporting period										Waste diverted (tonnes)	Reporting Period	Average waste diverted per month (t)	Reporting period (months)	Overall reporting period (months)	Annualised estimates (tonnes)	Waste diverted overall (tonnes)
		Concrete	Timber/Veg	Residential Organics	Dirty Organics	Green Organics	Metal	Fines/Interim Cover	Steel	Plastics	Other							
RUR 1	\$95,000			130.00	227.00	10,128.00						10,485.00	Mar-Oct 06	1,310.63	8.00	10.00	15,727.50	13,106.25
Sub-Total	\$95,000			130.00	227.00	10,128.00						10,485.00	N/A	N/A	N/A	N/A	15,727.50	13,106.25

Summary of Performance Reports (Interim Projects)

RUR 2	\$172,500	141.46	46.52				85.38	2,060.26				2,333.62	Jan-May 06	466.72	5.00	12.00	5,600.69	5,600.69
RUR 3	\$250,000									408.86		408.86	Oct 06 - Mar 07	68.14	6.00	6.00	817.72	408.86
RUR 4	\$250,000									22,000.00		22,000.00	Aug 06 - Nov 06	5,500.00	4.00	5.00	66,000.00	22,000.00
RUR 5	\$250,000										500.00	500.00	June 2005- June 2006	41.67	12.00	18.00	500.00	750.00
Sub-Total	750,000	141.46	46.52	0.00	0.00	0.00	85.38	2,060.26	0.00	22,408.86	500.00	25,242.48	N/A	N/A	N/A	N/A	72,918.41	28,759.55
OVERALL	845,000	141.46	46.52	130.00	227.00	10,128.00	85.38	2,060.26	0.00	22,408.86	500.00	35,727.48	N/A	N/A	N/A	N/A	88,645.91	41,865.80

Amount of Waste Diverted by Waste Stream (Completed Projects)						
Municipal Solid Waste						
Grant Recipient	Average Annual Waste Diverted (tonnes) 2006	Average Waste Diverted (tonnes) overall	Waste to landfill (tonnes) 2006	Diversion rate (%) 2006	Waste to landfill (tonnes) overall	Diversion rate (%) overall
KP1	7,091.50	14,182.96				
KP2	10,311.70	10,311.75				
KP3	25,187.90	25,187.87				
KP12	274.90	549.82				
KP13	663.00	994.50				
KP19	2,889.10	5,055.99				
KP14	212.10	354.24				
KP15	444.20	888.42				
KP3	14,537.90	14,537.92				
KP16	1,110.70	1,110.72				
KP17	6,663.90	6,663.88				
KP5	9,522.40	19,044.72				
KP6	15,356.70	15,356.75				
KP7	7,478.90	13,088.15				
KP8	22,741.50	22,741.52				
KP9	20,779.80	36,364.59				
KP19	167.80	335.61				
KP10	15,300.70	15,300.67				
KP11	8,488.30	16,976.60				
RIG3	2,035.40	4,070.80				
RIG4	2,315.00	3,287.30				
RIG1	100.00	100.00				
Sub-Total	173,673.40	226,504.77				
Commercial and Industrial						
RUR1	15,727.50	15,727.50				
RIG3	2,035.40	4,070.80				
RIG2	77.35	96.69				
Sub-Total	17,840.25	19,894.99				
Minus Duplicates	15,804.85	15,824.19				
Construction and Demolition						
	0	0	0	0	0	0
Sub-Total	0.00	0.00				
TOTAL	189,478.25	242,328.96	1,158,204.24	14.06	2,282,531.76	9.60

Amount of Waste Diverted by Waste Stream (Interim Projects)						
Municipal Solid Waste						
Grant Recipient	Annual Waste Yield (tonnes) (2006)	Waste Yield (tonnes) 2005&2006	Waste to landfill (2006)	Diversion rate (%) (2006)	Waste to landfill 2005&2006	Diversion rate (%) (2005&2006)
RUR3	817.72	817.72				
RIG5	4,150.00	4,150.00				
Sub-Total	4,967.72	4,967.72				
Commercial and Industrial						
RIG6	60.00	60.00				
RUR3	817.72	817.72				
RUR5	500.00	750.00				
RUR4	66,000.00	66,000.00				
Sub-Total	67,377.72	67,627.72				
Minus Duplicates	66,560.00	66,810.00				
Construction and Demolition						
RUR2	5,600.69	5,600.69				
RUR4	66,000.00	66,000.00				
Sub-Total	71,601	71,601				
Minus Duplicates	5,601	5,601				
TOTAL	77,128.41	77,378.41	1,158,204.24	6.24	N/A	N/A
Extrapolated Interim Projects	76,929	179,966				
OVERALL	266,606.66	319,707.37	1,158,204.24	18.71	2,282,531.76	12.29
OVERALL (including extrapolated interim projects)	343,535.658	499,673.654	1,158,204.24	22.8758428		

Extrapolation for Regional Infrastructure Grant and Re-use and Recycling Grant

Need to extrapolate 11 projects over an additional 14 projects :-

(6 that did not provide quantitative data and 8 that didn't provide any interim report at all)

Take the average of the 6 projects (average waste diverted per project) and then multiply that average by 14

This will provide an average tonnage of waste diverted for all the interim projects.

Interim Project	Tonnage of waste diverted to end of 2006	Average annual tonnage diverted
RIG5	4150	4150
RIG6	60	60
RUR2	5600.688	5600.688
RUR3	408.86	817.72
RUR4	22,000.00	66000
RUR5	750	500
Total	32969.548	12854.73467
Divide by 6 to get average	5,494.92	12,854.73
Multiply by 14 to extrapolate	76,929	179,966

Therefore, an average of 76,929 tonnes of waste have been diverted through interim projects funded by ZWSA